

# **LOUISVILLE AND SOUTHERN INDIANA BRIDGES AUTHORITY**

Kentucky International Convention Center

Room 109

4<sup>th</sup> and Market Streets

Louisville, Kentucky 40202

December 16, 2010

10:00 a.m. EST

## **1. Welcoming Remarks**

## **2. Call to Order/Roll Call**

The meeting of the Authority was called to order by Chairman Buddeke, who stated that the notice and agenda for this public meeting had been properly and timely posted. He requested that Secretary Sandra Frazier conduct a roll call of the members to determine the presence of a quorum. The following members were present: Charles Buddeke, Pat Byrne, Jamie Fiepkke, Jerry Finn, Diane Fischer, Pete King, Lisa Kobe, Dr. Charles Moyer, Joe Reagan, Ben Richmond, Kerry Stemler, David Tharp, and Sandra Frazier. Luther Deaton was absent. Chairman Buddeke declared that a quorum was present for conducting the meeting, and expressed appreciation for the level of attendance, notwithstanding the inclement weather.

## **3. Reports and Updates**

Steve Schultz, Executive Director, delivered his report to the Authority. He thanked everyone for their efforts over the last 10 months, and especially over the past two weeks. He noted that, on January 6, 2011, the Authority will again convene for its first regular quarterly meeting of the New Year.

Mr. Schultz provided a progress report on the Authority's strategic objectives. He reported that the interview process for the office manager/executive assistant is coming to a conclusion, with deliberations on an offer expected to occur in the next couple of weeks. He also said discussions are taking place with KYTC and INDOT on the timing and manner of adding a tolling technical consultant to the team. Research also continues on the process for developing an interstate compact to govern the Authority's long-term role. In the effort to accelerate project delivery and manage risk on the project, he and the Authority's advisors will continue to look at alternative delivery models and to explore the opportunity for holding an Industry Forum in the first part of next year.

## **Public Comment Meeting Overview**

Sandra Frazier and Christi Lanier-Robinson provided a summary of the public input and information meeting that had been held at the Ali Center on Monday of this week (on December 13<sup>th</sup>). Ms. Frazier reported that, while 153 people had officially registered, many other attendees did not register, so it is estimated that over 200 people were in attendance. Ms. Lanier-Robinson also reported that, as of 3:00 p.m. on Tuesday, December 14<sup>th</sup>, approximately 250 comments had been received through comment cards, the Authority's website or the court reporters who had been available at the meeting. Ms. Frazier told the audience that comments could still be made online.

In concluding his report, Mr. Schultz provided highlights of activities over the past week in connection with finalizing the update to the Initial Financial Plan, including a meeting on the status of the IFP update with the Kentucky Public Transportation Infrastructure Authority (KPTIA).

### **4. Action on Update to the Initial Financial Plan**

Chairman Buddeke moved to next agenda item.

Steve Schultz said that all members had received both a clean version and a redlined version of the Update to the Initial Financial Plan, which reflect comments that had been received and incorporated since the prior draft distributed to the Authority members at their meeting a week earlier.

Kerry Stemler observed that some of the comments that had been received from the public indicate a persistent set of misconceptions about the project, once again highlighting the importance of the Authority's continuing to get better at communicating the facts, features and benefits of the project to the public. He noted, for example, that a common misconception appears to revolve around the belief that tolls will be put in place within the next 18 months. Mr. Stemler explained that, based on his understanding, the soonest any tolls would be charged, given the current construction schedule, would be upon the opening of the East End bridge in 2017. He invited Mr. Schultz, Tamar Henkin of High Street Consulting Group and Lisa Fenner of KPMG to share their perspective on this issue.

Mr. Schultz confirmed that Mr. Stemler's understanding is accurate based on the operating assumption that there will be no "early tolling" on the project. Ms. Henkin spoke about this issue in light of the ongoing tolling and pricing discussions with Federal Highways' Office of Innovative Program Delivery. Ms. Fenner shared that, among the benefits of private sector involvement in project delivery, is the fact that private developers are willing and have the ability to invest up front capital to get the project underway, even before tolling commences. This is because they are accustomed to investing in and delivering the project on the basis of the future revenue stream that will be generated from tolling.

Kerry Stemler expressed appreciation for the clarifying comments. He continued by referencing the fact that the Authority has recognized the possibility, as described on page 30 of the IFP update, that alternative revenue sources might become available via other governmental actions. If these sources were determined to be suitable for the project and able to be timely implemented, he noted that the Authority would add them to the other available revenues in the ultimate financial plan as a way of keeping toll rates low. Given the uncertainty surrounding those resources, however, they have not been included in the funding sources outlined in the IFP update.

Pat Byrne added that this update is still an initial financial plan and is not final. It will go through future changes. There are still other decisions to be made and determinations that will come once the Authority has additional information.

Jerry Finn talked about the potential impact on small business and inquired about the availability of case studies from around the country that could provide additional insights on the initial and long-term economic impact of completing major infrastructure projects with the use of tolling. Mr. Finn observed that understanding the potential economic impacts will be key to delivering the expected benefits of the project.

Dr. Moyer recognized the charge to the Authority was to finance and deliver the project as defined in the Record of Decision, not to redefine the scope in a way that would be inconsistent with the Record of Decision or the Purpose and Need it identified. He went on to ask what the timeline would be if the project were to be redefined in such a manner. Mr. Schultz said that the length of the NEPA process varies depending on each project and its particular circumstances, making such generalizations difficult. However, he noted that the original process took 5 years. Mr. Schultz also said that any thought of redefining the scope of the project would need to have state sponsor support. Dr. Moyer observed that current market

conditions are very favorable for the project, considering that both construction and financing costs continue to trend very low. As a result, he continued, anything that would cause delays would jeopardize the chance to act within this favorable economic climate and the potential cost-saving opportunities that come with it. Mr. Schultz reminded the members that additional work under NEPA will need to be completed to evaluate the impact of tolling and the passage of time since the Record of Decision, but that work will be done in the context of the Purpose and Need outlined in the Record of Decision. He pointed out that the Purpose and Need lies at the heart of the project, so any project changes must be considered in light of whether they would be consistent with the Purpose and Need. Eventually, the Authority and the state sponsors will also need to consider necessary actions under the KIPDA process to incorporate the final project parameters into the long-range metropolitan transportation plan.

Diane Fischer observed that, based on her discussions with participants at the public input and information session on Monday, she felt like there was a lot of confusion about the project in the public domain. She said that Authority members should encourage people to go to the website for additional information. Ms. Fischer noted the importance of the Authority's retaining responsibility for the tolling process.

In response to a question from Jerry Finn, Mr. Schultz confirmed that the Finance & Construction Planning Committee would have responsibility for developing a tolling policy and would be aided in this effort with the advice of a tolling consultant. Mr. Finn reiterated that the Committee's work would be based on the use of a high speed, all-electronic non-stop tolling system, noting the lingering and inaccurate belief that travelers will be stopping at toll booths. He said it will be important to continue reminding the public of this fact.

Joe Reagan called the members' attention to the history of the project that is included in the IFP update, noting how important it is to view the Authority's work in this historical context and the opportunity that lies before the Authority to make it a reality.

Lisa Kobe said it is important to move forward with the project because it is critical to the long-term competitiveness of the community and the region, especially as the economy improves. She also noted the significant economic and job creation impact the project is expected to provide during construction and thereafter. She noted the Authority's ultimate objective of arriving at a financial plan that is fair, sound and doable.

Sandra Frazier echoed Ms. Kobe's comments and observed that other communities that have tolls as a means of paying for their transportation infrastructure (including metropolitan areas of various sizes). She talked about the symbolism of citizens of the two states coming together through the Authority to solve this longstanding problem, and in doing so responding to the central question of whether we as a community are going to sit idle or move forward.

David Tharp observed that the process has brought the bridges project closer to reality than ever before, and he emphasized that the Authority and the state sponsors cannot waste this opportunity to do something great for the two states and for this part of the country. He understands all sides of the tolling issue, but he also understands that a community must have an economic engine that is thriving and moving forward. With that, Mr. Tharp made the following motion:

***Motion:*** that the Update to the Initial Financial Plan in the form reviewed and discussed at this meeting be, and hereby is, endorsed by this Authority, and that it be forwarded to the Kentucky Public Transportation Infrastructure Authority ("KPTIA") with this Authority's recommendation that it then be submitted, on or prior to December 31, 2010, to the Federal Highway Administration on behalf of KPTIA, this Authority, the Kentucky Transportation Cabinet and the Indiana Department of Transportation, all in order to fulfill the requirement set forth in Section 4 of 2010 Kentucky House Bill 4 (enacted by the Kentucky General Assembly at its Extraordinary Session of 2010); in addition, the Co-Chairs and the Executive Director of this Authority or their designees are hereby authorized to take all actions and sign all documents necessary to complete this submission to FHWA by the aforementioned date.

Ben Richmond seconded the motion.

Chairman Buddeke asked for a roll call vote.

Pat Byrne – Yes. In casting his "yes" vote, Mr. Byrne said he was disappointed that tolling is needed for the project, but he said there is a greater good that will be served by getting the project completed. He emphasized the need to develop a plan that is fair, sound, and doable, and to work quickly.

Jamie Fiepke – Yes

Jerry Finn – Yes. In casting his “yes” vote, Mr. Finn noted the importance of not losing sight of the traffic safety improvements that the project will bring.

Diane Fischer – Yes

Pete King – Yes. In casting his “yes” vote, Mr. King observed that this is not the ultimate financial plan, noting that the Authority will continue its work to explore all financing and project delivery options to keep tolls low.

Lisa Kobe – Yes

Dr. Moyer – Yes

Joe Reagan – Yes. In casting his “yes” vote, Mr. Reagan said this is a well done financial plan, and it represents an important milestone for the project. He observed that the process that has been followed by the Authority over the past ten months has been very fact-based, and he emphasized the importance of the collaboration with and between the state sponsors, as well as with FHWA, KIPDA and the KPTIA. Mr. Reagan also stressed the importance of looking at all options for project funding and delivery as the Authority moves forward, as signaled in the IFP update.

Ben Richmond – Yes. In casting his “yes” vote, Mr. Richmond said that the Authority has done its due diligence. He also talked about the need to develop an education/outreach plan for the project, which will allow the Authority to be more proactive and less reactive in talking about the project. He shared his experience, from his own conversations at the public input and information session, that there were many examples of “aha moments” among the attendees who talked to him, based simply on their learning more facts about the project.

David Tharp – Yes. In casting his “yes” vote, Mr. Tharp alluded to the factors he had cited earlier. He added that he is excited about the position the Authority is in and looks forward to staying the course.

Sandra Frazier – Yes

Kerry Stemler – Yes. In casting his “yes” vote, Mr. Stemler observed that the Ohio River is one of the community’s greatest assets, so it is important that it does not divide it. He called the IFP update a foundational document, noting a comment made by Governor Beshear a week earlier when he said that this project – since the

creation of the Authority – has moved forward more in 10 months than it has in the past 10 years. He also reminded the members how much Governor Daniels considers this project to be critical to both states and to the country, and of his charge to the Authority to “move at the speed of business.”

Charles Buddeke – Yes. In casting his “yes” vote, Mr. Buddeke noted the importance of the progress made through the collaboration with FHWA and with KIPDA over the last several months to keep the project moving ahead. He also talked about the importance of the Purpose and Need in the Record of Decision as a key guiding principle. He also reminded everyone that tolling is the only funding tool given to the Authority in its enabling statute, and while the Authority will consider any and all other funding sources that might become available, it does not have the ability to bring those to bear directly on its own. He also talked about the importance of moving forward now in order to avoid the increased costs that will result from further delays.

Sandra Frazier announced the results of the vote: 13 voting yes, with one member (Deaton) absent.

## **5. Next Meeting (Thursday, January 6, 2011)**

Steve Schultz said the meeting location for the January 6, 2011 meeting has not yet been determined, but will be announced soon. The next meeting will have a full agenda. He also described the immediate next steps associated with the delivery of the IFP update to FHWA.

Mr. Schultz recommended that the Authority take official notice, consistent with its prior practice, of the fact that non-binding resolutions expressing opposition to tolling had been recently adopted by certain local governmental bodies. Chairman Buddeke noted that this notice would be reflected in the minutes. Mr. Schultz then read a list of the bodies that had adopted resolutions regarding tolling, including the Jeffersonville City Council, the Clarksville Town Council, the Sellersburg Town Council, the Utica Town Board, the Clark County Council, the Clark County Commissioners, and the Georgetown Town Council. Mr. Schultz also noted a letter in this regard from Mayor Doug Englund of New Albany, and he reminded the Authority that resolutions of the Louisville Metro Council and the New Albany City Council had previously been noted at its October meeting. Mr. Schultz also said the Authority had received four letters from area hospitals in support of the project, which he briefly described. Copies of the resolutions and the letters will be made a part of the Authority’s records.

Chairman Buddeke asked the Authority officers to give consideration to developing their committee meeting agendas and schedules as the Authority begins the New Year.

Steve Schultz passed around a get well card for Clark Snyder of INDOT for all members to sign.

## **6. Adjournment**

Upon motion duly made by Ben Richmond and seconded by Pete King, the meeting was adjourned.

Respectfully submitted,

Sandra Frazier, Secretary