

A Special Presentation for Purdue Road School

The Indiana Toll Road Lease: Three Years Later

An innovative initiative by Governor Mitch Daniels and the Indiana General Assembly

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Leasing the Indiana Toll Road and implementing Major Moves

Impact:

- Long-overdue upgrades and expansions to the Indiana Toll Road are currently underway
- Professional management of Indiana Toll Road
- Indiana Toll Road is debt-free for the first time in more than 50 years
- \$3.8 billion for transportation improvement projects

[Leasing the Indiana Toll Road]

- **Still owned by the citizens of Indiana**
- Indiana Toll Road Concession Company (ITRCC) pays local and state taxes
- Leasing proceeds enabled Indiana to reduce a \$2.8 billion state highway funding deficit
 - Funds high priority highway construction projects for the coming decade **without increasing taxes.**
 - More than 200 projects; 130,000 jobs
- New highway construction records will be set every year for the next ten years **without raising gas taxes as 31 other States have done.**
- \$500 million “Trust Fund for the Future” created

[ITRCC Must Meet Many Requirements]

- Electronic tolling system
- New lane capacity in high-traffic areas
- Award at least 90% of contracts to Indiana businesses
- Comply with extensive operating and maintenance standards to help assure safety and customer service

Indiana Toll Road Progress

- \$300 million in projects underway
- \$100 million more in next 2 years
- 95% of ITRCC construction contracts awarded to Indiana businesses
- Third lane being added in Lake County in each direction
- Electronic Tolling Operational
- Toll Plazas expanded



- Operational between Portage and Westpoint (the barrier portion) in July 2007 and the remainder of the roadway on April 1, 2008.
- In December 2008, there were nearly 1.51 million transactions (about 631,000 vehicles) between Portage and Eastpoint, 56% of them by I-Zoom or I-Pass.
- As of January 1, 2009, we had issued more than 53,000 I-Zoom transponders.
- Toll rates are “frozen” **at 1985 levels** until at least 2016 for I-Zoom users.



Efficiency Implications with ETC:

Manual Lane (Cash)	150 vehicles an hour
Exact Change Slot	350 vehicles an hour
I-Zoom w/ Gates	650 vehicles an hour
I-Zoom w/o Gates	1,100 vehicles an hour
Open Road Tolling	2,200 vehicles an hour

Much More Coming...

- Expedited highway repaving (89.5 lane miles in 2008)
- Bridge inspection/repair (major repairs on 17 mainline bridges; painting on 9 more)
- Upgraded travel plazas (Coming soon!)
- Initiatives to divert truck traffic from other routes to the Indiana Toll Road
- New state police post near Elkhart
 - ITRCC pays construction and trooper salaries
 - Will house other law enforcement agencies

Economic Development and Fiber Optic Corridors

- Developing an **Economic Development Corridor** to stimulate job creation and collaboration with local economic development officials.
- Requests for proposals issued in December for developing a large bore multi-tenant **fiber optic conduit** in Toll Road right-of-way to enhance broadband capacity.

Local Impact of Lease

- \$267 million in cash to Toll Road counties, cities and towns for local projects (E.g., More than \$40 Million to Lake County)
- \$1.4 billion in projects funded (\$332 Million in Lake County)
- \$120 million to RDA over 10 years

Major Moves County Impact

	Lake	La Porte	Porter	St Joseph	Elkhart	LaGrange	Steuben
50 years prior to Major Moves	Cash = \$0 Projects = \$71.4 M	Cash = \$0 Projects = \$3.1 M	Cash = \$0 Projects = \$7.9 M	Cash = \$0 Projects = \$26.8 M	Cash = \$0 Projects = \$16 M	Cash = \$0 Projects = \$4.1 M	Cash = \$0 Projects = \$0.65 M
Major Moves	Cash = \$17.6 M* Projects = \$332.0 M	Cash = \$41.7 M Projects = \$86.0 M	Cash = \$26.6M** Projects = \$92.9 M	Cash = \$42.4 M Projects = \$487.1 M	Cash = \$42.2 M Projects = \$83.3 M	Cash = \$41.0 M Projects = \$14.7 M	Cash = \$41.0 M Projects = \$8.7 M
Ratio	5 to 1	42 to 1	15 to 1	20 to 1	8 to 1	14 to 1	77 to 1
* Plus	\$25 M to RDA **Plus \$15M to RDA						

Effective Stewardship of Funds

- Proceeds from the leasing agreement have been prudently invested until they are needed for projects.
- Although the downturn in financial markets has diminished the yield on these investments, they earned more than \$120 Million in FY 2008.
- These earnings will be utilized to help assure Indiana's transportation priorities are addressed.

In Summary: Toll Road Lease

- Indiana Toll Road belongs to Hoosiers
- ITRCC is leasing it, operating it, and **assuming future risks**
- Must be maintained to state and federal standards
- Major improvements underway (new lanes, electronic tolling) with much more on the way
- Toll Road counties, cities and towns have millions of additional dollars for road and development work
- Toll Road will grow in importance and will bring economic development to northern Indiana

Expected Long Term Impact:

- Professional Toll Road management will help to assure the roadway is a major transportation and economic development asset
- Major Moves funding enables state and local governments to make significant infrastructure improvements

Two Important Tools for
Progress in Indiana!



**Building Roads.
Creating Jobs.**