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:

<table>
<thead>
<tr>
<th>Method</th>
<th>Vehicles per hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual Lane (Cash)</td>
<td>150</td>
</tr>
<tr>
<td>Exact Change Slot</td>
<td>350</td>
</tr>
<tr>
<td>I-Zoom w/ Gates</td>
<td>650</td>
</tr>
<tr>
<td>I-Zoom w/o Gates</td>
<td>1,100</td>
</tr>
<tr>
<td>Open Road Tolling</td>
<td>2,200</td>
</tr>
</tbody>
</table>

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 that $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

<table>
<thead>
<tr>
<th>County</th>
<th>Cash</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake</td>
<td>$0</td>
<td>$71.4 M</td>
</tr>
<tr>
<td>La Porte</td>
<td>$0</td>
<td>$3.1 M</td>
</tr>
<tr>
<td>Porter</td>
<td>$0</td>
<td>$7.9 M</td>
</tr>
<tr>
<td>St Joseph</td>
<td>$0</td>
<td>$26.8 M</td>
</tr>
<tr>
<td>Elkhart</td>
<td>$0</td>
<td>$16 M</td>
</tr>
<tr>
<td>La Grange</td>
<td>$0</td>
<td>$4.1 M</td>
</tr>
<tr>
<td>Steuben</td>
<td>$0</td>
<td>$0.65 M</td>
</tr>
</tbody>
</table>

### 50 Years Prior to Major Moves

<table>
<thead>
<tr>
<th>County</th>
<th>Cash</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake</td>
<td>$17.6 M</td>
<td>$332.0 M</td>
</tr>
<tr>
<td>La Porte</td>
<td>$41.7 M</td>
<td>$86.0 M</td>
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<tr>
<td>Porter</td>
<td>$26.6 M</td>
<td>$92.9 M</td>
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<tr>
<td>St Joseph</td>
<td>$42.4 M</td>
<td>$487.1 M</td>
</tr>
<tr>
<td>Elkhart</td>
<td>$42.2 M</td>
<td>$83.3 M</td>
</tr>
<tr>
<td>La Grange</td>
<td>$41.0 M</td>
<td>$14.7 M</td>
</tr>
<tr>
<td>Steuben</td>
<td>$8.7 M</td>
<td></td>
</tr>
</tbody>
</table>

### Ratio

- Lake: 5 to 1
- La Porte: 42 to 1
- Porter: 15 to 1
- St Joseph: 20 to 1
- Elkhart: 8 to 1
- La Grange: 14 to 1
- Steuben: 77 to 1

* Plus $25 M to RDA
** Plus $15 M 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!