

January 9, 2012

John Sacksteder, Project Manager
Community Transportation Solutions
305 North Hurstbourne Parkway, Suite 100
Louisville, KY 40222

Dear Mr. Sacksteder:

Thanks to you and your team for your collective efforts on the Ohio River Bridges Project. Your work is incredibly important to our community and I sincerely appreciate the opportunity to offer comments on the Supplemental Draft Environmental Impact Statement (SDEIS).

My comments are in regard to the October 17, 2011 letter from Tim Sorenson, P.E., Wilbur Smith Associates to Gary Valentine, P. E., Kentucky Transportation Cabinet Project Manager for the Ohio River Bridges Project.

Mr. Sorenson's letter concludes with the statement that an estimated \$850 million to \$1.1 billion could be available to finance construction. The projected Revenue Stream figures supporting that conclusion are shown on pages 4 & 5 of his letter. I believe the projections show a "high side" scenario in terms of potential tolling revenue. This leads to a "high side" projection of indicative financing capacity.

A.2

SDEIS "high side" scenario

The Year 2023 projected annual Gross Revenue is \$151 million and projected annual Net Revenue is \$130 million. Each year thereafter shows a significant revenue increase.

Borrowing \$1 billion in today's economic environment will likely result in annual debt service of under \$75 million. If so, the "high side" scenario projects Net Revenue that seems to far exceed debt service coverage, required operations & maintenance, and other costs.

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The projected Net Revenue Stream for the first 35 years of operations shows almost \$8 of Net Tolling Revenue for every \$1 borrowed. That seems to be a bit unrealistic and an unnecessary financial burden. Perhaps Net Tolling Revenue of \$4 to \$5 for every dollar borrowed would be more realistic and gain wider public support.

A.2

Request to amend October 17 letter

A more "middle of the road" projection would show slower growth of revenues but retain a significant financial cushion to more than cover debt service and other requirements. This would result in a modestly lower indicative financing capacity, probably in the range of \$700 to \$900 million.

Please consider amending the October 17, 2011 letter to include a conservative scenario resulting in a more cautious indicative financing capacity. This will provide more clarity of long term financial implications of the Ohio River Bridges Project to both project sponsors and the general public.

Thank you again for the opportunity to comment on this most important matter.

Best regards,



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cc: Tim Sorenson