State Announces New Agreements for I-69 Section 5

INDOT to assume direct control of the road project

INDIANAPOLIS – The Indiana Finance Authority (IFA), I-69 Development Partners and its bond holders have reached settlement agreements in principle for the State to assume control of the I-69 Section 5 project, subject to approval by the IFA Board. The Indiana Department of Transportation (INDOT) will take direct control of the project by July 31, 2017.

“I am delighted for Indiana taxpayers that we have reached an agreement for the State to assume control and finish this project,” Governor Eric J. Holcomb said.

Today’s actions will not increase the overall project cost to taxpayers and may provide the State future savings, according to Public Finance Director Dan Huge. The original cost in today’s dollars is approximately $590 million under the public-private structure; the new agreements and structure total approximately $560 million dollars.

Summary details of the transaction include the following:

- The IFA will issue lower interest highway revenue bonds, anticipated to be rated AA+ to fully replace the developer’s private activity bonds, originally rated at BBB- and related interest for a total amount of $246 million in bonds
- The I-69 Development Partners will provide an additional $12 million to the bondholders and $50 million to the IFA as part of the settlement

Both agreements will release the State from future liabilities or claims with bondholders, the developer, design-builder Isolux Corsan and insurance and surety companies. The State will assume all future financial risk to operate, maintain and preserve the roadway over the next 35 years.

“INDOT’s first task is to ensure a smooth transition of project teams,” said Commissioner Joe McGuiness. “As we work through those initial changes, construction work that is currently underway will continue. More important, there will be no lapse in the safety and mobility operations that keep traffic moving and the work zone safe.”

Currently more than 30 subcontractors are working on the roadway and that will continue under the INDOT’s leadership. The I-69 project from Evansville to Indianapolis was originally planned to begin in 2017. However, the Indiana Toll Road lease enabled the State to advance the project earlier. Today sections 1 through 4 are complete, and the State is currently working to initiate Section 6.

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**ABOUT INDIANA FINANCE AUTHORITY**
The Indiana Finance Authority oversees State-related debt issuance and provides efficient and effective financing solutions to facilitate state, local government and business investment in Indiana. Part of the oversight includes managing The State Revolving Fund (SRF) loan programs, which provide low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure. The program’s mission is to provide eligible entities with the lowest interest rates possible on the financing of such projects while protecting public health and the environment. SRF also funds non-point source projects that are tied to a wastewater loan.

**ABOUT THE INDIANA DEPARTMENT OF TRANSPORTATION**
INDOT enhances Indiana’s economic competitiveness and the quality of life for all Hoosiers by delivering a transportation system that supports the safe, efficient movement of people and commerce. The agency builds and maintains more than 28,000 lane miles of highway, 5,600 bridges, and guides operations of 117 public aviation facilities and more than 4,000 miles of active rail lines. In 2015, Indiana was ranked #1 by the U.S. Department of Transportation for the conditions of its roads and bridges. Indiana was ranked as the #1 state in the U.S. for infrastructure in CNBC’s 2016 “Top States for Business” ranking.

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