FOR IMMEDIATE RELEASE

IFA Board Approves Action to Take Over I-69 Section 5 Project

State Budget Committee to review transaction in July

INDIANAPOLIS (June 29, 2017) - The Indiana Finance Authority board approved a resolution today that will terminate the contractual relationship between I-69 Development Partners and the State, reimburse the developer’s bond holders for $246 million, and return direct control of the I-69 Section 5 project to the Indiana Department of Transportation.

The board-approved transaction will not increase the overall project expense to taxpayers and may provide the State future savings, said Public Finance Director Dan Huge. The State anticipates the cost to complete the project, including debt service and future operations and maintenance of the completed corridor, will be approximately $560 million in today’s dollars -- compared to an approximately $590 million that would have been paid out under the former public-private agreement.

Rating agencies Fitch Ratings, Moody’s Investor Services, and S&P Global have all publicly announced the settlement of the transaction will not affect the State of Indiana’s AAA credit rating.

The IFA announced the settlement agreement in principle on June 16, 2017. The financing plan to complete the transaction must be reviewed by the State Budget Committee, which will meet in July. Final closing on the transaction is expected after that review is complete and the final version of the agreement is signed by all parties.

The State plans to take full control of the project this summer and issue bonds to execute the transfer to the State; the State expects those bonds to be rated AA+, a significantly higher rating than the developer’s bonds. INDOT has begun mapping out a transition plan to keep the project moving forward to completion.

The 21-mile project between Bloomington and Martinsville is expected to be complete on or before August 2018. Four lanes of roadway are scheduled to be open continuously to traffic in the Greater Bloomington Area in August 2017.

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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. The IFA has issued funds for projects such as State Office Buildings like the Neuro-Diagnostic Institute, parking garages, roads and infrastructure, and State parks. The IFA also has worked on special projects like Stadium & Convention Center, the Indianapolis Motor Speedway, State Fair and the recent successful completion of East End Crossing Bridge. 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.
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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