



State Budget Committee Indiana Toll Road Update

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Indiana Toll Road – Overview of Concession Lease Agreement

- Amended and Restated Concession & Lease Agreement by and between the IFA and Indiana Toll Road Concession Company, LLC (ITRCC) expires in 2081
- Ownership of the Indiana Toll Road (ITR) retained by State of Indiana
- ITRCC responsibility:
 - Operations and maintenance
 - Upgrades
 - Toll and concession revenue collection

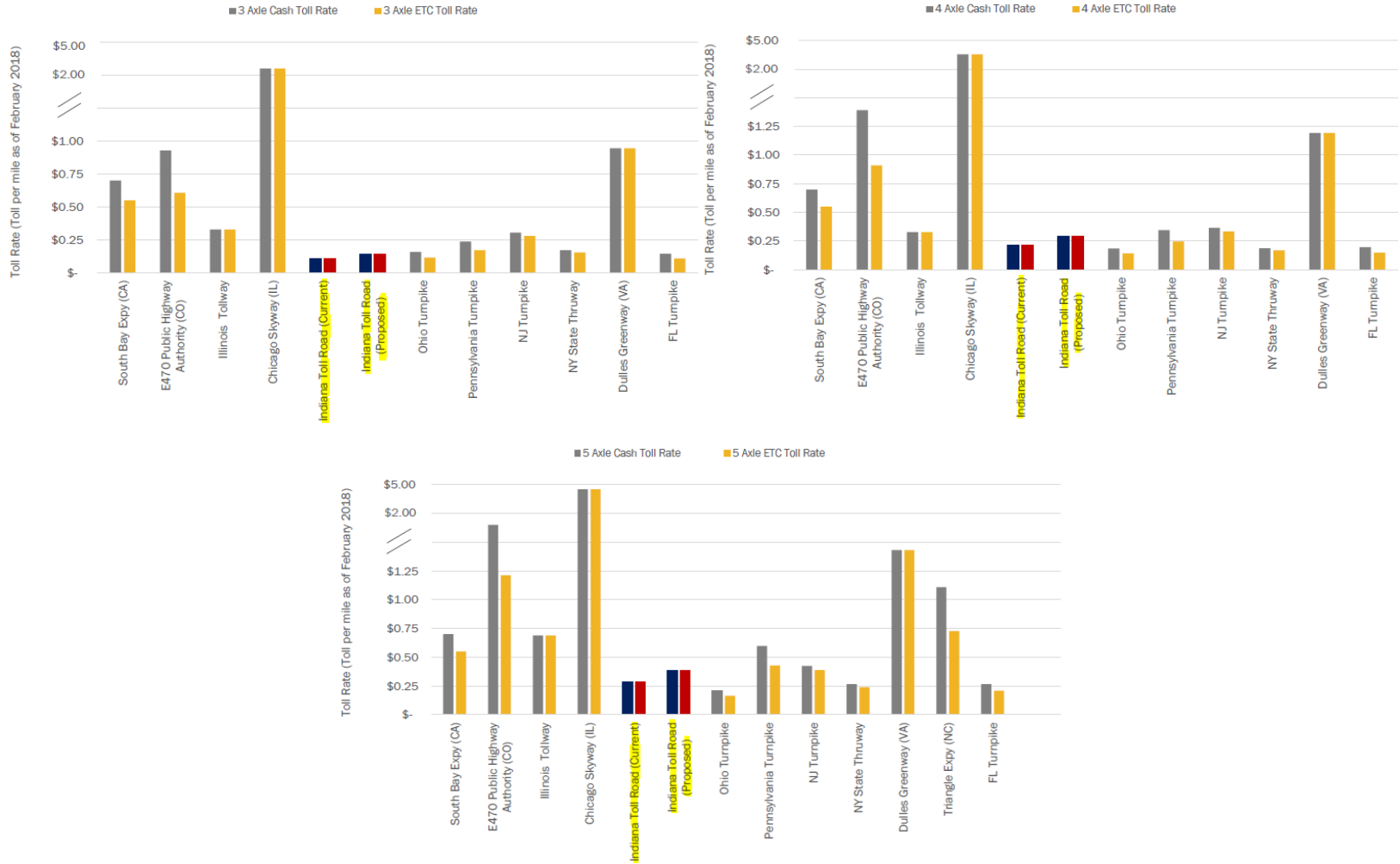
Indiana Toll Road – Oversight of Lease

- **IFA and INDOT Oversight**
 - The Indiana Toll Road Compliance Manager (INDOT) – reports to both IFA and INDOT
 - primary responsibility is oversight and enforcement of the ITRCC’s compliance with the Lease
 - Works out of Gary, IN and performs weekly inspections of the ITR and monthly inspections of the eight (8) travel plazas
- **Contract with RQAW for “performance audit” of the ITRCC**
 - IFA contracts with RQAW to ensure the ITRCC is in compliance with specific maintenance standards in the Lease.
 - Inspections performed by RQAW include:
 - Six (6) inspections of the entire Toll Road to monitor and note any deficiencies with respect to:
 - Roadway Maintenance
 - Pavement Delineation Maintenance
 - Roadside Safety Features and Systems Maintenance, including Guardrail, Barrier Wall and Impact Attenuators
 - Lighting and Electrical System Maintenance
 - Signs and Sign Maintenance Systems
 - Toll Plaza Maintenance
 - Up to three (3) Snow and Ice Control inspections in winter seasons that occur before, during, and after a snow event
 - One (1) inspection of all ITRCC facilities
 - IFA/INDOT review reports generated by RQAW following each inspection
- **Review of all reports generated by the ITRCC regarding the Toll Road, including:**
 - Annual “State of the ITR Report”, which includes roadway and bridge sufficiency ratings, facilities ratings, etc.
 - Capital Improvement Report, which details current and planned improvements to the ITR roadway and structures.
- **On going discussions with ITRCC - enhancements to improve Toll Road experience**

Indiana Toll Road – 2018 Lease Amendment

- State of Indiana to receive \$1 billion over the next two (2) years
 - \$400 million received on October 5th, 2018
 - \$300 million to be received no later than October 1, 2019
 - \$300 million to be received no later than October 1, 2020
- ITRCC to invest an additional \$50 million in upgrades to the Toll Road within three (3) years
- ITRCC authorized to enact a one-time 35% increase on the toll rate
 - Increase better aligns with market rate
 - Only applies to Class-3 (3 axle) and above vehicles
 - Annual adjustments to tolls will continue per original lease agreement

Toll Rates (Toll per mile) by Facilities



- State Protection(s) in Lease Amendment
 - \$600 Million Letter of Credit (LOC) delivered by the ITRCC on October 5th, 2018
 - IFA may draw down on LOC in the event the ITRCC fails to deliver the 2019 or 2020 payment
 - Failure of ITRCC to make 2019 or 2020 payments shall constitute a Default under the Lease, which can ultimately result in termination of the Lease.

ITRCC Capital Enhancements

- By 2025, ITRCC will have invested over \$500 million in capital upgrades on the Indiana Toll Road
 - Investments-to-Date (2016-2018)
 - **Completed** - \$220 million PUSH Project to rehabilitate 70 miles of pavement and 53 bridges
 - **Completed** - \$70 million Travel Plaza Project to reconstruct all eight (8) travel plazas
 - **Completed** - \$10 million Intelligent Transportation System (ITS) Project to deliver ITS safety enhancements across 70 miles
 - Immediate-Term (2019-2021)
 - \$35-40 million – 87-mile ITS expansion
 - \$10 million – Truck parking upgrades and 200 new truck parking spaces
 - \$2-3 million – Smart truck parking system
 - \$2-3 million – Eight (8) new Heavy-Vehicle electric charging stations at all travel plazas
 - Long-Term and Project Outcomes (through 2025)
 - Additional \$150 million of pavement and bridge upgrades
 - ITRCC will have invested \$500 million in capital upgrades in the decade since 2015 acquisition
 - 95% of the Toll Road pavement will have been entirely reconstructed, and ranked amongst the best in the nation