

## Daniels: Best is yet to come

Indianapolis Star - Indianapolis, Ind.

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Date: Jun 30, 2011

Gov. Mitch Daniels marked the halfway point of his \$10 billion, 10-year Major Moves road improvement project Wednesday with praise for its economic impact.

"Thousands of construction workers are at work today and have been for the last five years, in a record building boom in our state," Daniels said during a news conference. "Those are not even the most important jobs. The most important jobs are those that . . . will come and are coming to Indiana because the 'Crossroads of America' got serious about infrastructure."

Major Moves is funded through the 75-year, \$3.8 billion lease of the Indiana Toll Road to Cintra-Macquarie, a Spanish-Australian investor group, and with federal and state gas tax revenues.

The governor conceded Wednesday that not all originally anticipated projects will be finished by the time the money runs out and addressed concerns about Cintra-Macquarie's recently reported money troubles.

But Daniels said the project's impact on the state's economy and job growth had been overwhelmingly positive.

The Indiana Department of Transportation reports that -- thanks in part to recession-level construction prices -- it has completed 45 percent of the planned new highway construction and rehabbed or replaced 49 percent of the bridges and repaved 70 percent of the roads slated for work.

The governor's office distributed a list of testimonials from supporters that credited Major Moves -- at least in part -- with bringing the Honda plant to Greensburg, the Nestle factory to Anderson and the Medco distribution plant to Whitestown, and with helping Indiana earn a AAA bond rating in 2008.

Others remain critical of the project.

### Concern in Carmel

The project's fluid schedule, and the fact that some plans have been added while others have been dropped, leaves some local leaders concerned that some work won't get done before the Toll Road money runs out.

In Carmel, those concerns focus on a \$600 million plan to turn a 13-mile stretch of U.S. 31 from Carmel north past Westfield into an interstate-quality, limited-access highway.

Under a draft plan that will be finalized as construction progresses, that stretch -- one of the fastest-growing commercial corridors in the state -- will not be complete until 2018.

That timetable led CMC Properties, which owns and leases space in a 300-person office building at Meridian and Main streets, to hold off on plans to build two more 300-person office buildings next door, property manager Stephanie Anderson said. Until a planned intersection is constructed at Meridian and Main, she said, "it's difficult for people to get to our property, and it's hard to find."

Though the upgrade to U.S. 31 was part of the original plan in 2006, it wasn't until 2008 that INDOT set a start date for the work. That date was in 2015. Last year, the date was moved to 2014.

Mo Merhoff, president of the Carmel Chamber of Commerce, said the changing timetable is part of what has left businesses concerned.

"Anyone trying to lease space is going to be facing the question, 'When's the road project coming?' " she said. "It's the uncertainty that is very difficult for businesses there."

Merhoff said the U.S. 31 corridor from I-465 to Ind. 32 is home to the state's second-largest employee base, after Indianapolis. She said some business leaders also are concerned about whether funds will be available by the time the state is ready to break ground on the project.

INDOT spokesman Will Wingfield said 70 percent of the U.S. 31 project through Hamilton County will be paid for by July 2015, when the Toll Road money runs out. Even if the entire project does not benefit from Toll Road funds, he said, gas tax revenues are expected to cover the rest.

Another project not likely to conclude -- or perhaps even begin -- until after 2015 is an extension of I-69 along the Ind. 37 corridor from Bloomington to Indianapolis. Major Moves funds only the I-69 extension between Evansville and Crane Naval Surface Warfare Center in Southern Indiana, Wingfield said.

The bulk of the \$3.8 billion from the Toll Road lease went to state highway projects. Some also funded local road projects, while about \$500 million went into an investment fund to cover future road projects.

Asked about unfinished projects Wednesday, Daniels said the agenda for Major Moves always has been fluid. Moreover, he said, without the money from the lease, the next governor's infrastructure to-do list "would have been three or four times as big."

#### Toll Road drivers

Daniels also said that any financial problems at the private toll road company won't affect Hoosier drivers. That's despite the fact the company has increased tolls.

The South Bend Tribune reported this week that the Indiana Toll Road Concession Co. is in debt trouble from the lease deal.

Daniels said if the company had to find new investors or seek other solutions -- "if it turns out they overbid, Indiana got too good a deal and they can't make their own interest payments" -- nothing would change for people driving on the road.

"The operators are doing a fine job and will probably continue," the governor said. Moreover, he said, the state gets veto power over any new operator.

Rep. Vernon Smith, D-Gary, said he opposed the leasing of the Toll Road in 2006 and still thinks that the state shouldn't have pawned off a valuable resource.

"We've got to understand, any time we get privatization, people have to make a profit," Smith said. If they don't earn money, "we have a situation where we have an unstable commodity that we really don't have any control over."

Whether Hoosiers come to view Major Moves as a success will have long-term consequences because it will determine whether future governors can find support for similar projects. This spring, lawmakers approved a bill giving the governor sole authority to create toll roads until 2021. Major Moves is not likely to be the last time the state sells parts of its infrastructure to finance new roads or repairs.

The Associated Press contributed to this story.

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#### Major Moves projects

Five years into the project, Indiana has built 185 miles of a planned 413 miles of new roads, replaced or rehabbed 588 of a planned 1,190 bridges and rehabbed or replaced 2,800 of a planned 4,000 miles of pavement.

Here is the status of 10 major projects:

U.S. 24 from Fort Wayne to the Ohio line

Project: Replace existing two-lane highway with four-lane highway in new location.

Miles: 11.

Estimated cost: \$81 million.

Expected to open: September 2012.

I-80/94 interchange

Project: Reconfigure and rebuild.

Estimated cost per mile: \$187 million.

Expected opening: July.

I-465 from I-65 to Ind. 67

Project: Rebuild and widen the road from six lanes to 10 and replace old bridges.

Miles: 11.

Estimated cost: \$423 million.

Expected to open: December.

Milton-Madison Bridge

Project: Build new bridge on top of existing supports.

Miles: 1.

Estimated cost: \$104 million.

Expected to open: September 2012.

I-69 from Evansville to the Crane Naval Surface Warfare Center

Project: Build new four-lane interstate highway.

Miles: 67.

Estimated cost: \$700 million.

Expected to open: December 2012.

U.S. 31 from Plymouth to South Bend

Project: Upgrade and realign existing highway.

Miles: 20.

Estimated cost: \$224 million.

Expected to open: December 2014.

Ind. 25 (Hoosier Heartland)

Project: Replace existing two-lane highway with four-lane highway in a new location.

Miles: 36.

Estimated cost: \$386 million.

Expected to open: December 2013.

U.S. 31 in Kokomo

Project: Build new road without stoplights.

Miles: 13.

Estimated cost: \$160 million.

Expected to open: December 2013.

U.S. 31 in Hamilton County

Project: Upgrade existing road with new bridges and interchanges.

Miles: 13.

Estimated cost: \$436 million.

Expected to open: 2018.

I-69 from Crane to Bloomington

Project: Build new highway from the Crane Naval Surface Warfare Center to Bloomington.

Miles: 27.

Estimated cost: \$400 million.

Expected to open: December 2014.