

Attachment B to Resolution TB 2016-2

RESOLUTION TB-2016-1

**RESOLUTION OF TOLLING BODY AMENDING IN PART AND
CONFIRMING IN PART PRIOR TOLL RATE RESOLUTION
AND CONFIRMING INITIAL TOLL RATES**

WHEREAS, the State of Indiana and the Commonwealth of Kentucky have jointly undertaken a project to improve cross river mobility over the Ohio River between Louisville and Southern Indiana, as authorized by the Federal Highway Administration in its revised Record of Decision (“ROD”) dated June 20, 2012 (the “Project”); and

WHEREAS, the Indiana Finance Authority (“IFA”) and the Indiana Department of Transportation (“INDOT”) have been authorized to participate in the Project on behalf of the State of Indiana, and the Kentucky Public Transportation Infrastructure Authority (“KPTIA”) and the Kentucky Transportation Cabinet (“KYTC”) have been authorized to participate in the Project on behalf of the Commonwealth of Kentucky; and

WHEREAS, IFA and INDOT are referred to as the “Indiana Parties” and KPTIA and KYTC as the “Kentucky Parties”; and

WHEREAS, IFA, INDOT, KPTIA and KYTC (collectively the “States’ Parties” and each individually a “State’s Party”) have (together with the Louisville and Southern Indiana Bridges Authority) entered into a Bi-State Development Agreement effective December 27, 2012 (the “Development Agreement”) as well as an Interlocal Cooperation Agreement for the Design, Procurement, Construction, Financing, Tolling, Operation and Maintenance for the Louisville-Southern Indiana Ohio River Bridges Project effective as of December 17, 2012 (the “Interlocal Agreement”); and

WHEREAS, Kentucky and Indiana determined that the preferred approach for delivery of the Project was for each State to take the lead in overseeing and financing construction of roughly one-half of the Project, with Kentucky being responsible for financing and constructing the Downtown Crossing, and Indiana being responsible for financing and constructing the East End Crossing (as defined in the Development Agreement);

WHEREAS, both States will rely primarily on toll revenues generated by the Project to finance construction and operation of the Project and after obtaining and accepting an investment grade traffic and revenue report (“T&R Report”) set initial toll rates to provide assurance that the financial obligations of the Project can be met in TB 2013-2 (“Prior Resolution”);

WHEREAS, the initial toll rate categories were not fully defined at the time of the Prior Resolution and now they can be further clarified.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The initial toll rate schedule for the Project shall be as follows:

Initial Toll Rates			
	Passenger Vehicles	Medium Vehicles	Large Vehicles
Frequent User Discount Program	\$1.00	N/A	N/A
Transponder	\$2.00	\$5.00	\$10.00
Registered Video Account	\$3.00	\$6.00	\$11.00
Other Video	\$4.00	\$7.00	\$12.00

Vehicles shall be assigned to the above categories as indicated in the Business Rules.

2. Each of the above listed toll rates will increase annually, beginning July 1 of 2018 and thereafter on each July 1st for as long as tolls are in force, by the greater of the rate of inflation as measured by the Consumer Price Index or 2.50%.

3. The Tolling Body hereby determines, based on the information currently available to it, that these initial toll rates are sufficient to generate the revenue necessary to meet the requirements of the toll rate covenants as defined in Section 11.3.2 of the Development Agreement and clarified in Addendum #2 thereto and described below.

4. At all times, the rates and rate structure shall be set at a level necessary to generate sufficient revenue to meet the toll rate covenants. Subject to that limitation, changes may be necessary if called for by the Toll Policy Agreement or the Tolling Mitigation Plan being developed in accordance with the ROD.

5. The make-up of the toll rate categories identified in the Paragraph 1 shall be as indicated in Section 3 of the Business Rules and Operational Requirements, as updated from time to time pursuant to the Toll Policy Agreement.

Toll Rate Covenants

6. The Tolling Body, in accordance with (i) the Development Agreement, (ii) the KPTIA 2013 General Trust Indenture Securing Downtown Crossing Project Revenue Bonds, as finally approved and executed (“2013 KPTIA Trust Indenture”), (iii) those portions of the IFA Public-Private Agreement referenced in Section 11.3.2. of the Original Development Agreement, as well as the TIFIA loan agreement of KPTIA, shall, as long as either KPTIA or IFA has outstanding payment obligations related to the design construction, financing, operation and maintenance of the Project (including all obligations of KPTIA and IFA under the 2013 KPTIA Trust Indenture, Kentucky TIFIA loan agreements or the Public-Private Agreement), establish tolls at rates expected to be sufficient to meet each of the IFA Rate Covenant and the KPTIA Rate Covenant, as defined below.

7. KPTIA Rate Covenant: Toll rates shall be set so that the Kentucky Revenue Share, as defined in the Development Agreement and as mandated by the 2013 KPTIA Trust Indenture, is sufficient to meet the Rate Covenant set forth in Section 708 of the 2013 KPTIA Indenture.

8. IFA Rate Covenant: Subject to Section 11.7.3.2 of the Development Agreement as amended by Addendum #2 thereto, toll rates shall be set so that the Indiana Revenue Share (as defined in the Development Agreement) is in an amount at least equal to 100% of the aggregate amount of availability payments and other financial obligations due and payable during the following year under the Public-Private Agreement, during any period that availability payments and other financial obligations under the Public-Private Agreement, if any, remain outstanding.

Covenants of the Tolling Body

9. The Tolling Body does hereby resolve, pledge to, and agree with KPTIA and the holders of any toll revenue bonds or other obligations authorized by the 2013 KPTIA Indenture including TIFIA, related to the Project, that the Tolling Body will (a) take all actions necessary and convenient to permit KPTIA to fulfill the terms of Section 708 of the 2013 KPTIA Trust Indenture, and (b) not limit or alter the rights and powers vested in KPTIA to fulfill the terms of Section 708 of the 2013 KPTIA Trust Indenture.

10. Nothing in this document shall be interpreted to extend the obligations of the States' Parties beyond those stated in the Bi-State Development Agreement.

11. This Resolution shall take effect immediately upon its passage.

Dated this ___th day of _____, 2016.

INDIANA FINANCE AUTHORITY

By: _____
Dan Huge
Public Finance Director of the State of
Indiana

INDIANA DEPARTMENT OF
TRANSPORTATION

By: _____
Tony McClellan
Designee of the Commissioner of the
Indiana Department of Transportation

KENTUCKY PUBLIC TRANSPORTATION
INFRASTRUCTURE AUTHORITY

By: _____
William M. Landrum III
Designee of the Chair of the Kentucky
Public Transportation Infrastructure
Authority

KENTUCKY TRANSPORTATION CABINET

By: _____
Greg Thomas
Secretary of the Transportation Cabinet

INDIANA FINANCE AUTHORITY

By: _____
Kerry M. Stemler, Member

KENTUCKY PUBLIC TRANSPORTATION
INFRASTRUCTURE AUTHORITY

By: _____
Dana Mayton, Member