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Panel approves bridges, economic development bills

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FRANKFORT, Ky. — The House budget committee on Tuesday overwhelmingly passed bills that would permit tolls as part of a funding mix for the Ohio River Bridges Project and provide incentives meant to lure a NASCAR race to Kentucky.

The full House could vote on the measures as early as Wednesday, June 17.

House Bill 4 moved out of committee with near-unanimous support. It would allow the creation of an authority with Kentucky and Indiana members to finance, build and operate the projects. A separate state authority would review the projects.

Only one committee member, Rep. Arnold Simpson, D-Covington, opposed the bill.

The proposal would prevent debt from large projects — such as interest on bonds supported by toll income — from counting against Kentucky's debt capacity, said Don Pasley, D-Winchester, one of the sponsors.

The plan, also sponsored by House Speaker Pro Tem Larry Clark, D-Louisville, and Rep. Sannie Overly, D-Paris, would permit local involvement in deciding how to pay for the bridges project — two new spans between Louisville and Clark County, Ind., and a redesigned Spaghetti Junction interchange near downtown.

Kentucky would have seven members on the authority, four appointed by Louisville's mayor and three by the governor. The bi-state panel would determine, for example, how to fund a project and set its construction schedule.

The governor also would appoint nine members to an 11-member Kentucky Public Transportation Infrastructure Authority, which would have to approve the projects.

In addition to the Louisville bridges, the legislation would aid a planned Interstate 69 span near Henderson and would be open to projects of at least \$500 million across Kentucky.

Kentucky and Indiana would jointly own the projects, and Pasley said that wouldn't keep Kentucky's share of federal transportation dollars from supplementing other funds such as tolls. Pasley also said changes to the bridges project's Record of Decision are "a possibility" if HB4 becomes law.

Mike Hancock, the Kentucky Transportation Cabinet's chief of staff, told lawmakers he wasn't certain if the record, which authorized the project in 2003, would have to be altered.

Pasley said no state is using an approach similar to Kentucky's.

"We are truly at the forefront of this type of megaproject financing," he said.

Despite overwhelming support for the bill, some committee members raised concerns about the

General Assembly's oversight and how toll revenue could be spent.

HB 4 only applies to ventures in the state's road plan, giving the House and Senate a say in which roads are chosen. The Senate, meanwhile, would have to approve the governor's appointees to the state authority.

But Rep. Jim Wayne, D-Louisville, said he'll push for changes that would give a committee such as the Capital Projects and Bond Oversight Committee a direct role monitoring the projects.

"We're granting an awful lot of authority to these authorities with very little accountability," Wayne said.

Meanwhile, Gov. Steve Beshear's economic development package, HB 3, passed the budget committee with one "no" vote.

The \$75 million measure is intended to beef up incentives to encourage expansion of existing businesses.

It also includes tax incentives to attract a NASCAR Sprint Cup race and Breeders' Cup World Championship to the state; creates a tax credit for small businesses and the film and television industry; permits the University of Kentucky to use private money to build new athletic facilities; and allows land in Hardin County to be used for a proposed advanced battery manufacturing facility.

Rep. Tommy Thompson, D-Owensboro, said none of the tax credits could be used until jobs are created or, in the case of the Kentucky Speedway, NASCAR sets a date for a Sprint Cup race.

Rep. Robin Webb, D-Grayson, who cast the lone vote against the bill, said the governor's office has not provided enough data about the potential return on investment to the state for the various incentives.

Webb took aim at several elements of the package, including the Speedway incentives. She said she believes the Speedway is going to get a NASCAR race date regardless of the tax credits offered by Kentucky.

"I've got NASCAR fans getting their electricity turned off in Carter and Lewis counties, but I'm going to give a bailout to a NASCAR owner?" she said. "I've got a problem with that."

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