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Ohio Launches Record-Setting Transportation Plan

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CHICAGO –Ohio transportation officials have launched a \$2.4 billion capital plan for 2015 that's the second-largest in state history and features the Buckeye State's first public-private partnership.

Financing for the P3, a 16-mile highway through the Appalachian mountains, could come to market as soon as next week.

The Ohio treasurer is expected to sell \$231 million of tax-exempt private activity bonds on behalf of the project.

The \$2.4 billion capital budget relies largely on proceeds from a \$1.1 billion borrowing in 2013 that featured a new pledge from the Ohio Turnpike.

The state is allowed to use the proceeds for turnpike projects as well as infrastructure projects that share a loosely defined nexus with the turnpike. That includes a \$331 million so-called Opportunity Corridor that will link I-490 to University Circle in Cleveland.

The 2015 plan includes 990 projects, a record for the state, officials said. That's up from 50 projects in 2014.

"While our number one priority is to maintain what we already have, this year's projects place a strong emphasis on improving the economy, safety, and overall quality of life in Ohio," ODOT Director Jerry Wray said in a statement.

Construction is already underway for the state's first P3, a \$429 million project that will create a 16-mile four lane highway bypass around the city of Portsmouth in Scioto County, one of the state's poorest counties.

The project will complete the Appalachian Highway System, and officials say it could spur economic development.

The private team, dubbed Portsmouth Gateway Group LLC, includes equity partner ACS Infrastructure Development Inc. and contractor Dragados USA, both subsidiaries of the Spanish P3 infrastructure firm ASC.

The state treasurer will float the \$231 million of PABs on behalf of Portsmouth Gateway Group. JPMorgan is the senior manager.

The General Assembly, meanwhile, will begin next week to hash out a new two-year ODOT budget that could total nearly \$6 billion.

The state Senate on March 18 approved a \$5.8 billion transportation budget bill that spans 2016 and 2017.

The measure includes \$650 million in new-money bonds.

The biennium budget proposal includes \$277.5 million of bonding in 2016 and \$372.3 million of bonding in 2017, according to ODOT spokesman Matt Bruning.

The House has already approved a \$5.04 billion spending plan, and the two chambers will hash out differences in conference committee over the next few weeks.

The ODOT budget must be finalized by March 31 under state law.



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