

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7018
BILL NUMBER: HB 1317

NOTE PREPARED: Dec 27, 2004
BILL AMENDED:

SUBJECT: New Harmony Bridge.

FIRST AUTHOR: Rep. Van Haften
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the state to enter negotiations to purchase the bridge crossing the Wabash River on State Highway 66. It authorizes the Transportation Finance Authority (ITFA) to: (1) accept the conveyance of the bridge; (2) operate and maintain the bridge; and (3) contract with the Department of Transportation (INDOT) to operate and maintain the bridge.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Part 1* requires the Indiana Transportation Finance Authority to negotiate with the proper authorities in the state of Illinois for the purpose of acquiring ownership of the bridge crossing the Wabash River on State Highway 66. The expenditures related to entering negotiations will depend upon how extensive they are and the amount of travel and staff time involved. The fund affected for the ITFA is a dedicated fund.

Part 2, authorizing the acceptance of conveyance of the bridge, may involve significant expenditures. Below is a history of the bridge, a traffic analysis and Commission revenue and expenses through FY 2004, and excerpts from an INDOT 2001 report detailing several factors which could bear on the future of the bridge. Negotiators for the state will need to consider the type of information and data contained here in making their final decision as to the acquisition of the bridge.

History of Bridge: The New Harmony (toll) Bridge was built in 1930 connecting Posey County in Indiana with White County in Illinois by a private company with authorization from the U.S. Congress. In 1941, Congress created the White County Bridge Commission to operate and maintain the bridge with the intent to transfer ownership to the states of Indiana and Illinois as a toll-free bridge once all bonds relating to the bridge were

paid off. An offer to transfer the bridge in 1955 was rejected by the states on the grounds that the bridge was not in sound structural condition. The Federal Highway Administration (FHWA) had oversight of the Commission until 1998 when that oversight was dissolved with the passage of the transportation act, TEA-21. At that time, FHWA approached the Commission, the Illinois Department of Transportation (IDOT), and INDOT to develop a transition program of the Commission to the two states. IDOT and INDOT again rejected taking over the bridge because it does not meet current standards, but agreed that if Congress provided funding for the replacement of the bridge, they would accept joint responsibility for the bridge. An appropriation request in the amount of \$3.1 M was submitted by Congressional members of both Illinois and Indiana for FY 2003.

In November of 1999, State Road 69 opened between State Road 66 and I-64, providing a direct link between the Mt. Vernon Port and I-64, reducing truck traffic over the bridge by 65% and auto traffic by 16%. In light of decreasing revenue and the inability to perform necessary maintenance needs to maintain the safety of the bridge, the Commission announced in October 2001 that the bridge would have to close by the end of the year. The Illinois Department of Commerce and Community Affairs granted the Commission \$120,000 for bridge repairs and maintenance to keep the bridge open while a solution for bridge funding was sought. The Commission also raised tolls on the bridge effective January 1, 2002, doubling rates to \$1.00 for cars, \$1.50 for 2-axle trucks, and \$3.00 for semis. However, total vehicle traffic was down more than 25% for the first seven months of 2002, likely in response to the rate increase.

Traffic Analysis:

	1998	1999	2000	2001	2002	2003	2004
Truck Traffic	37,311	37,002	13,122	11,146	6,097	6,069	na
Auto Traffic	675,726	678,803	570,622	531,654	404,815	382,508	na
Total Traffic	713,037	715,805	583,744	542,800	410,912	388,577	na
% Change		0.4%	-18.4%	-7.0%	-24.3%	-5.5%	na

Commission's Revenue and Expenses:

	1998	1999	2000	2001	2002	2003	2004
Toll Revenue	410,517	411,670	307,469	286,134	424,320	389,448	na
Other Income	19,689	12,969	16,160	14,260	134,451*	128,000*	na
Total Revenue	430,206	424,639	323,629	300,394	558,771	517,448	na
Operating Expenses	266,788	269,289	270,713	262,880	270,808	287,032	na
Maint. Expenses	172,587	310,141	31,943	63,435	261,987	200,000	na
Net Income (Loss)	(9,169)	(154,791)	20,974	(25,921)	25,976	30,416	na

* Includes \$120,000 grant from the state of Illinois.

The White County Bridge Commission has been operating at a loss since 1998 and greatly curtailed maintenance expense in 2000 and 2001 in response to falling revenue. Tolls were doubled in 2002 and the Commission received a \$120,000 grant from Illinois. The Commission's October 12, 2004, financial statement indicates that there was a balance of \$244,023. This balance consisted of \$74,473 in cash and a certificate of deposit of \$169,550, with a maturity date of April 1, 2004.

Maintenance Needs: In July 2001, INDOT engaged an engineering firm to conduct an inspection and prepare cost estimates for rehabilitation of the New Harmony Bridge. The report indicated that portions of the bridge

were reconstructed in 1962 and the east abutment bridge seat was reconstructed in 1997. The original bridge deck has been maintained in all spans except for the 1962 reconstruction. The report stated, “Overall, the bridge is judged to be in fair to serious condition with advanced section loss and deterioration having affected primary structural components. With some exceptions, the most serious conditions appear to be relatively consistent throughout the entire length of the structure...It is our opinion that this bridge is near the end of its useful life, unless significant structural repairs are made in the immediate and near (short-term) future. The report defined immediate as within 30-60 days and short-term as within 12 to 18 months. Immediate repairs of \$66,000 were identified to keep the bridge in operation, and short-term repairs totaling \$2,286,000 were identified to extend the useful life another five to ten years. The report goes on to recommend that, “Reconstruction of the existing structure for more than 10 years of service is not considered feasible, and is not recommended due to the inadequate horizontal clearances that render the main truss spans functionally obsolete. The report estimates the cost of a new bridge between \$15 M and \$20 M, which does not include any cost of road reconstruction, additional right-of-way, or demolition of the existing bridge.

Further, according to the White County Bridge Commission, the ITFA passed a resolution authorizing the expenditure of funds from the Indiana Interstate Bridge Fund to study the future of the bridge. The ITFA is to engage consultants familiar with steel suspension bridges to study and report on the short- and long-term repairs and improvements , and long-term repairs and/or rehabilitation options and the estimated cost of each option.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Transportation Finance Authority; Department of Transportation.

Local Agencies Affected: Posey County.

Information Sources: Jeremiah Wise, Financial Analyst, Indiana Transportation Finance Authority, 317-234-2228, Dr. David Rice, Vice-Chair White County Bridge Commission, 812-682-4550.

Fiscal Analyst: James Sperlik, 317-232-9866.