

OFFICE OF THE GOVERNOR



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STATE OF ALABAMA

August 2, 2019

Dear Alabama Toll Road, Bridge and Tunnel Authority Members,

As a member of the authority, allow me to bring to your attention a project of tremendous importance to the State of Alabama and the Gulf Coast Region – the proposed construction of a new bridge across the Mobile River.

The most significant obstacle to a new bridge is very simple... money.

As the state has pursued this project, especially in recent years, the expectation was always that we would see significant federal participation in funding the project due to its importance to cross-region and cross-country traffic.

In fact, last week we were notified that Alabama will receive an Infrastructure for Rebuilding America (INFRA) Grant of \$125 million. This allocation is about six percent of the total projected cost of \$2.1 billion. Additionally, the project has qualified for over one billion dollars in low-interest debt financing. While this is encouraging news, there doesn't appear to be any breakthrough in a major new infrastructure bill passing Congress anytime soon. Absent this, we are not anticipating any additional significant federal participation in funding the proposed bridge project for the foreseeable future.

Working in cooperation with the United States Department of Transportation (USDOT), the Alabama Department of Transportation (ALDOT) developed as an option a proposal to fund the project through the use of a Public-Private Partnership (P3). According to ALDOT, this approach would fund the project through a mixture of approximately \$900 million of equity that would be contributed by ALDOT and/or concessionaires. The exact split remains to be negotiated. The concessionaires would submit proposals to develop the project using over \$1 billion of debt financing via USDOT.

In recent weeks, there has been significant feedback regarding this proposal in the press and social media. Many legitimate questions have been raised and deserve answers. Unfortunately, a few urban myths have also been spread which are simply not true.

I am sensitive to concerns of what a toll would do to working families, lower and middle-class individuals, small businesses and students and the elderly, as I am sure you are. I am also concerned about the cost of doing nothing which is what some of the opponents to a toll are suggesting.

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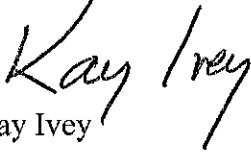
Therefore, I am calling a public meeting of the Alabama Toll Road, Bridge and Tunnel Authority for Tuesday, September 17, 2019 at 1:30 PM to be held in the Auditorium in the Alabama State Capitol.

The purpose of this meeting will be to receive an update from ALDOT, to hear from other stakeholders who may wish to propose viable options for financing the project, and to consider any other business that may properly come before the Authority.

Like you, I look forward to hearing constructive alternatives and solutions. I will also be inviting our Federal Delegation to join us for this meeting, as well as all other state and constitutional officers, at least some who seem to believe there is an easy solution out there if we would just look for it.

In the end, I remain hopeful that we can work together to find a way to move this project forward.

Sincerely,

A handwritten signature in black ink that reads "Kay Ivey". The signature is written in a cursive style with a large, sweeping "K" and "I".

Kay Ivey
Governor