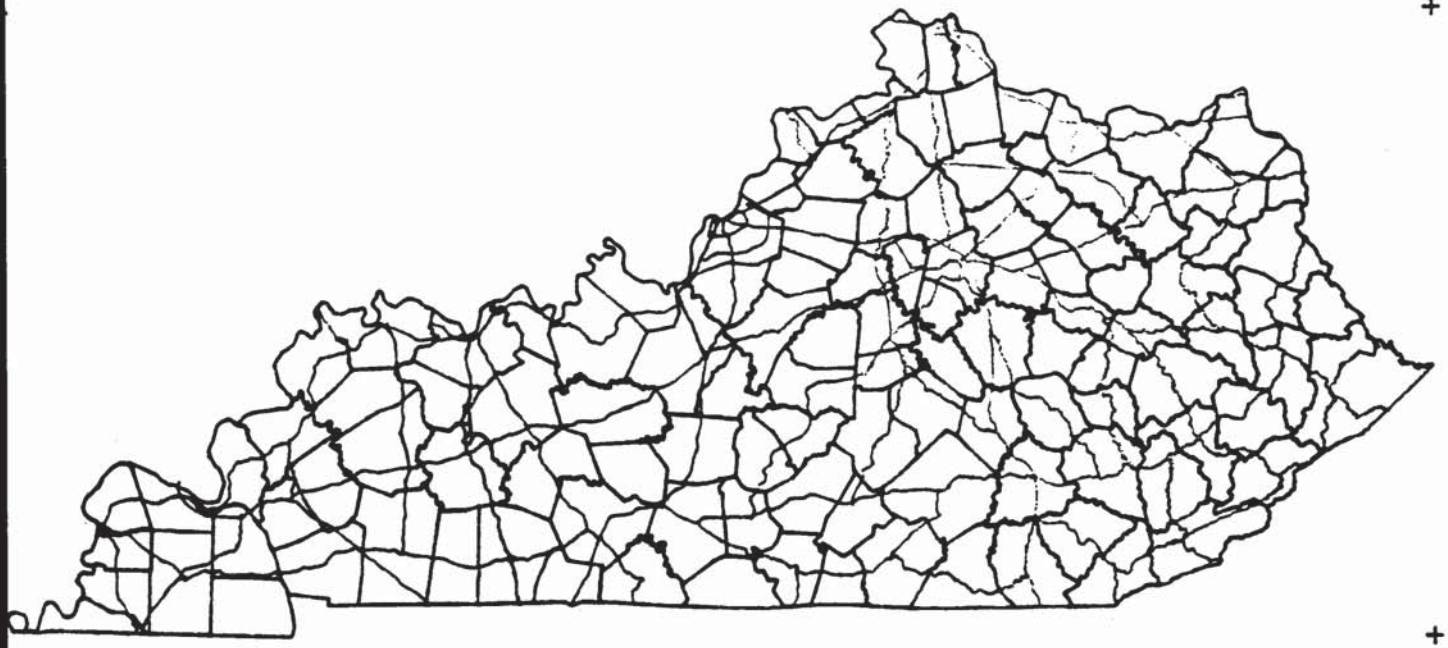
REPORT OF THE TASK FORCE TO STUDY HIGHWAY NEEDS



Research Report No. 258

Legislative Research Commission

February, 1992

KENTUCKY LEGISLATIVE RESEARCH COMMISSION

JOHN A. "ECK" ROSE
Senate President Pro Tem

DONALD J. BLANDFORD
House Speaker

Chairmen

Senate Members

CHARLES W. BERGER
Assistant President Pro Tem

JOE WRIGHT
Majority Floor Leader

JOHN D. ROGERS
Minority Floor Leader

DAVID K. KAREM
Majority Caucus Chairman

ART SCHMIDT
Minority Caucus Chairman

FRED BRADLEY
Majority Whip

TOM BUFORD
Minority Whip

House Members

PETE WORTHINGTON
Speaker Pro Tem

GREGORY D. STUMBO
Majority Floor Leader

TOM JENSEN
Minority Floor Leader

JODY RICHARDS
Majority Caucus Chairman

CLARENCE NOLAND
Minority Caucus Chairman

KENNY RAPIER
Majority Whip

JIM ZIMMERMAN
Minority Whip

VIC HELLARD, JR, Director

* * * * *

The Kentucky Legislative Research Commission is a sixteen member committee, comprised of the majority and minority leadership of the Kentucky Senate and House of Representatives. Under Chapter 7 of the Kentucky Revised Statutes, the Commission constitutes the administrative office for the Kentucky General Assembly. Its director serves as chief administrative officer of the Legislature when it is not in session.

The Commission and its staff, by law and by practice, perform numerous fact-finding and service functions for members of the General Assembly. The Commission provides professional, clerical and other employees required by legislators when the General Assembly is in session and during the interim period between sessions. These employees, in turn, assist committees and individual members in preparing legislation. Other services include conducting studies and investigations, organizing and staffing committee meetings and public hearings, maintaining official legislative records and other reference materials, furnishing information about the Legislature to the public, compiling and publishing administrative regulations, administering a legislative intern program, conducting a pre-session orientation conference for legislators, and publishing a daily index of legislative activity during sessions of the General Assembly.

The Commission is also responsible for statute revision, publication and distribution of the *Acts* and *Journals* following sessions of the General Assembly and for maintaining furnishings, equipment and supplies for the Legislature.

The Commission functions as Kentucky's Commission on Interstate Cooperation in carrying out the program of the Council of State Governments as it relates to Kentucky.

REPORT OF THE TASK FORCE TO STUDY HIGHWAY NEEDS

Task Force Members
Representative Hank Hancock, Co-Chair
Senator Woody May, Co-Chair

Mayor Bill Cox Larry Depp

Jerry Johnson Robert E. Johnson

Sen. Nick Kafoglis Rep. N. Clayton Little

Hank List Jim Morris

Rep. Anne Northup Rep. A. G. Pritchett

Rep. Kenny Rapier Sen. John "Eck" Rose

Rep. Rex Smith Rep. Pete Worthington

Rep. Jim Yates

Staff Administrator
James R. Roberts

Analysts
Jerry Deaton
Mark Shircliffe

Budget Analyst
Steve Mason

Secretary
Adell Kemper

Research Report No. 258

Legislative Research Commission

February, 1992

MEMBERS OF THE TASK FORCE TO STUDY HIGHWAY NEEDS

Representative C. M. "Hank" Hancock—representing Franklin County, member of the House Transportation Committee, co-chairman of the Budget Review Subcommittee on Transportation, member of the Southern Legislative Conference Transportation Committee and the National Conference of State Legislatures' Transportation Committee, and co-chairman of the Task Force to Study Highway Needs.

Senator Woody May—representing Breathitt, Elliott, Lee, Magoffin, Menifee, Morgan, Owsley, Rowan, and Wolfe Counties, chairman of the Senate Transportation Committee, member of the Budget Review Subcommittee on Transportation, and co-chairman of the Task Force to Study Highway Needs.

Senator John "Eck" Rose—representing Bath, Clark, Estill, Fleming, Montgomery, and Powell Counties, member of the Senate Transportation Committee and the Legislative Research Commission.

Senator Nick Kafoglis—representing Logan and Warren Counties, member of the Senate Transportation Committee.

Representative Pete Worthington—representing Bracken, Fleming, Mason, and Robertson Counties, member of the House Transportation Subcommittee, Budget Review Subcommittee on Transportation, and the Legislative Research Commission.

Representative Kenny Rapier—representing Nelson and Washington Counties, member of the House Transportation Committee, majority whip of the Kentucky House of Representatives.

Representative N. Clayton Little—representing Pike County, chairman of the House Transportation Committee.

Representative Anne Northup—representing Jefferson County, member of the House Transportation Committee.

Representative A. G. Pritchett—representing Henderson County, member of the House Transportation Committee, former county judge/executive of Henderson County.

Representative Jim Yates—representing Jefferson County, former member of the House Transportation Committee.

Representative Rex Smith—representing Crittenden, Livingston, and McCracken Counties, chairman of Tourism Development and Energy Committee, highway contractor.

Robert Johnson—retired director of the Kentucky office of the Federal Highway Administration.

Larry Depp—principal partner in the consulting engineering firm of Johnson, Depp, and Quisenberry of Owensboro.

Jerry Johnson—administrative assistant to County Judge/Executive Delzinna Belcher of Harlan County.

Jim Morris—president of WMB Engineers, Inc., a consulting engineering firm operating in Lexington.

Hank List—director of governmental affairs for Kentucky Utilities, former member of the Kentucky House of Representatives.

Mayor Bill Cox—current mayor of Madisonville, former director of the Federal Highway Administration under President Carter.

DEDICATION TO SENATOR WOODFORD FRANKLIN "WOODY" MAY

The Task Force to Study Highway Needs dedicates this report to Senator Woodford Franklin "Woody" May, who has admirably served as a member of the Kentucky General Assembly for twenty-three years, in both the House of Representatives and the Senate. Senator May has dedicated himself to promoting the best possible quality of life for all Kentuckians. A member of the Senate Transportation Committee of the Kentucky General Assembly since 1984, Senator May has served as Senate chairman since 1985. Devoted to equalization of facilities for all highway districts in Kentucky and to equal access for all citizens, Senator May has proved strong leadership for developing a sound transportation system throughout Kentucky.

Due to serious illness, Senator May was unable to actively participate in Task Force meetings. However, his legacy of leadership served as a solid foundation, an inspiration, and a driving force for the work accomplished. Kentuckians across the Commonwealth express their love and appreciation to Woody and wish him a speedy recovery.

A special thanks is given to the following, whose expertise and assistance were instrumental to the efforts of the Task Force to Study Highway Needs:

Mr. Richard Tanner, Executive of the Kentucky Magistrates Association

Kentucky Association of County Officials

The Kentucky League of Cities

The Government Services Center of the Kentucky State University

The Kentucky Highway Industry and its association director

The Kentucky Transportation Cabinet, especially the personnel of the Highway District Office

Table of Contents

Tables

Appendices

INTRODUCTION

The Kentucky General Assembly has strived to develop throughout the Commonwealth a well-planned highway system which promotes public safety, economic growth, and accessibility to natural resources, employment, commercial and industrial centers, and residential areas. Although many good highways have been constructed in Kentucky, the efforts of the legislature to develop a good highway system for all citizens have been greatly stifled, due to the changing commitments of the executive branch.

For years, the state legislature has appropriated funds for designated highway projects only to see those projects never progress beyond the proposal stage and their funding used for other purposes. In an attempt to fund specific highway projects, the Kentucky General Assembly appropriated more revenue for highway projects during the last ten years than during any other period of history. Revenue increases came predominantly from truck fees and motor fuel taxes. The courts, however, twice issued a ruling against the truck taxes, forcing changes in the revenue sources. While considered high in 1986, debt service as a percentage of the Road Fund was deemed manageable in 1990 and was increased significantly.

Further complicating the inadequacy of highway funding, the highway revenues have historically been depleted to fund programs which were extraneous to highway expansion and maintenance. The refusal to pay debt service, as agreed, for the resource recovery road bonds from the General Fund had a major impact on the shortage of transportation revenues. The fiscal responsibility for the Kentucky Department of State Police was transferred from the General Fund Account to the Road Fund for the 1988-90 biennium. State appropriations for highway construction varied from a low of approximately $7 million in 1981 to a high of $79 million in 1990.

The lack of dependability for completion of highway projects and the manipulation of highway funding became a source of great concern to legislators, other elected officials, and the public-at-large. Kentucky's leaders realized that the Commonwealth's transportation system suffered from a lack of continuity in administration and from the need for sound, long-range planning and stable funding. Media coverage and political rhetoric focused on the need for better highway planning and spurred public interest, which bolstered support of local officials. Business and political leaders recognized that the entire Commonwealth would benefit from objectively and fairly prioritizing highway projects throughout the state.

Recognizing the importance of effective and progressive highway planning, the 1990 Kentucky General Assembly directed that a study of highway needs be conducted by a special task force and appropriated the necessary funding. In August of 1990, the Legislative Research Commission appointed members to the Task Force to

Study Highway Needs and instructed them to develop a report with recommendations. The Task Force was comprised of Kentucky legislators, local elected officials, transportation experts, and community leaders.

The mission of the Task Force was to achieve credibility for a long-range transportation plan. The Task Force was to gather information regarding highway needs throughout the state. The public was to be given the opportunity to be involved in the process, along with appropriate officials at all levels of government and knowledgeable private sector professionals. Task Force goals included identifying an adequate and secure source of funding and developing a plan to standardize methodology and policy between the state and local offices of transportation.

In October of 1990, the Task Force held the first of a series of sixteen public hearings. Public hearings were conducted in every highway district across the state. This gave Task Force members the opportunity to discuss highway issues with local citizens and community leaders and to have first-hand exposure to highway needs throughout Kentucky. Careful consideration was given to invite all local officials to participate in the public hearings.

The Task Force heard testimony from various experts and administrators in the field of highway development. Transportation administrators from Iowa and North Carolina shared their experiences in highway planning and needs assessments. Several Kentucky transportation officials presented information including a review of previous studies regarding Kentucky transportation, an overview of the 1991-92 Department of Highways budget, and receipts which accrue to the state Road Fund, and an explanation of the planning process used by the Department of Highways. In an effort to better understand the state's current highway planning process, the Task Force toured the Kentucky Department of Highways' planning facilities. Additionally, the Task Force heard testimony from highway contractors and consulting engineers related to highway planning and construction.

Among issues presented to the Task Force were the status of the proposed Interstate 66 corridor, the role of the Appalachian Regional Commission in highway development, and the importance of good highways to economic development. Officials and industry leaders addressed the Task Force on water, air, and railway transportation issues in Kentucky.

When the Task Force completed the public hearing phase, three subcommittees were formed. The subcommittees were Highway Corridors, Alternative Financing, and Local Policy. Each subcommittee conducted meetings to gather information and recommendations from appropriate officials, professional experts, and other knowledgeable parties. Relevant data was compiled and the subcommittees' work culminated in reports of their findings and recommendations to the Task Force.

PUBLIC HEARINGS

The dates and locations of the sixteen public hearings held by the Task Force on Highway Needs were as follows:

October	22-23	District 9	Carter County Circuit Court
November	26-27	District 5	Louisville
December	17-18	District 3	Barren River
January	28-29	District 7	Lexington
March	25-26	District 4	Rough River
April	21-22	District 12	Jenny Wiley
May	20-22	District 10 & 11	Buckhorn & Pine Mountain
June	24-26	District 1 & 2	Kentucky Dam & Pennyrile
July	22-23	District 8	Lake Cumberland

CHAPTER I
HIGHWAY NEEDS STUDY

Review of Previous Highway Studies

Since the industrial revolution and the invention of the automobile, federal, state and local governments have been faced with the task of moving people, goods and services. Therefore, a major concern to the public sector has always been where to locate roads and how to pay for them. In light of the fact that public dollars pay for roads, it becomes necessary to examine road systems periodically, in order to identify any deficiencies that may exist, such as safety concerns, regional corridor gaps, economically depressed areas, urban traffic congestion, funding resources, or other concerns recognized as vital to the overall transportation network.

Kentucky has initiated several studies relating to highway financing needs and mechanisms for providing additional funding. Each of these studies addresses the need for a strong transportation network, and each merits review here.

The studies and works to be reviewed in this Chapter are *Financing Kentucky's Roads and Streets* (1956), *Toll Roads—Economic Impact* (1971), *The Road Fund Crisis* (1972), *Kentucky's Future Transportation Needs* (1974), *Highway Cost and Revenues and The Present Dilemma*(1976), *The Governor's Task Force on Transportation* (1979), and *The Report of The Commission on Kentucky's Government* (1991). A review of the major contributions of each study follows, along with comments regarding any application which might be made to today's highway situation.

Financing Kentucky's Roads and Streets

Financing Kentucky's Roads and Streets was published in November of 1956 by the Bureau of Business Research, College of Commerce, University of Kentucky. This study establishes the importance of highways to Kentucky from an economic and social perspective. It cites agricultural, industrial, commercial, educational, and tourism concerns as key factors linking roads and economic growth.

The findings of the 1956 study are often cited in promoting present day highway projects. Three categories of general economic effects which stem from an adequate program of highway modernization were established: motor vehicle operation cost savings, time savings, and savings resulting from accident reduction. The study went on to discuss the savings in term of 1956 dollars.

> Cheaper, faster, and more dependable highway transportation will bring various other advantages to Kentuckians. More and better goods will be obtainable at lower prices because goods can be economically shipped into more distant marketing areas and people will be able to travel greater distances to reach the more desirable shopping centers. Residents will be able to live further away from their jobs and employers will be able to draw labor from greater distances. Farmers will be able to market their goods inexpensively and to choose the more desirable areas in which to market such goods. Recreation areas throughout the state will become more accessible and people will have a greater amount of leisure time to devote to such activities . . . It is difficult to think of any important economic or social activity in the state which will not reap considerable benefit from a more adequate system of modern highways.[1]

The 1956 study reviewed in detail the history of highway financing methods, expounded on spreading the burden of paying for the highway program between highway users and other beneficiaries, and established a taxing and expenditure plan for highway improvement. This study was completed at the dawn of the federal interstate program. Its conclusion appears to be that any highway improvement will reap positive benefits.

Toll Roads—Economic Impact

The study, *Toll Roads—Economic Impact*, conducted by the Legislative Research Commission, was the result of the passage of House Resolution 90 by the 1970 Kentucky General Assembly. The purpose of the study was to "determine the effects of limited access highways on the state and local economy and evaluate the results in terms of the contribution to the state's economy".[2]

The focus of the study was a comparison of those counties which had limited access highways with those counties without such highways. The highways contained in the limited access group were Interstates 71, 75, 65, and 64, the Bluegrass Parkway, Mountain Parkway, and the Western Kentucky Parkway. Economic factors considered were manufacturing

employment, total personal and per capita personal income, sales and use tax revenue and market value of real property.

The results of this study suggested that the limited access group fared better than the other group in all instances. The basic conclusion was that toll roads played a significant role in the development of Kentucky, and placed Kentucky's rural areas in a more favorable position to compete with developed urban areas of the state.

An emerging factor of the study of toll roads was a different approach between federal and state government in the philosophy of road building. The basic goal of the federal program, as illustrated through the Interstate Program, is to connect the major urban economic centers of the nation. The toll road system, however, attempts to link the rural areas of the state to the more developed urban areas.

The Road Fund Crisis

The Road Fund Crisis (1972), published by the Legislative Research Commission, uses the same method of analysis as the toll road study. At the time of the study, it was felt that even though significant new highways had been constructed, no additional funds from other tax bases benefiting from these highways would be available for further construction. Therefore, the purpose of this analysis was to identify any economic growth which occurred as a result of limited access highway construction.

The study conclusions are revealed by the following few sentences:

> The problem boils down to a lag between the time debt service payments are due and the time it takes for generation of new revenues through increased utilization of the newly created facilities. Furthermore it should be noted that there is no provision to include in the road fund any portion of the newly expanded tax base which can be attributed at least in part to the state's investment in the highway system. The only sources of revenue are the gas tax and tolls. On the other hand, the income, sales, and property tax base have all been expanded as a direct result of highway capital improvements.[3]

The analysis to this point can be briefly summarized as follows: First, the toll and interstate systems appear to be able to generate, in the form of secondary benefits, sufficient revenue to justify their existence. Second, this revenue is not subject to taxation for purposes of augmenting the road fund. Third, as a result of the time lag between debt payment schedules and expanded road fund revenues, the road fund will experience shortfall. Furthermore, as the problems of the adjacent industrialized cities continue to increase, it is very likely that industrial expansion will be redirected to more rural settings, if those settings have the proper endowments of social overhead capital, of which highways are an essential ingredient. If the current highway program is completed, Kentucky will most certainly offer an abundance of opportunities to anyone who considers highway transportation an important locational factor.

Kentucky's Future Transportation Needs (1974)

The 1974 General Assembly enacted House Joint Resolution 41, directing a study of the financing of transportation in Kentucky. There were four major participants in this study, including the Kentucky Department of Transportation, Battelle Columbus Laboratories, the University of Kentucky and the Legislative Research Commission. In addition, the study scope was expanded from the previous focus on highways to include all modes of transportation.

The result of this study was a summary of the financial needs of each transportation mode. Most importantly, the study identified approximately $33 billion of additional state and local highway needs. However, no specific routes or projects were identified along with these costs.

The study concluded that these costs were too large for the state's revenue generating ability and that research in developing alternative funding methods should be considered.[4]

Report of the Governor's Task Force on Transportation (1979)

In 1979, the Governor's Task Force on Transportation was established to discuss the state's transportation needs and methods to finance those needs. The focus of this task force was to study the non-highway modes of transportation, as well as the highway construction and maintenance programs.

In the area of highways, the Task Force indicated that approximately $300 million per

year of additional revenue was needed over the next ten years to upgrade Kentucky's highways. In addition, $100 million per year of additional revenue was needed for maintenance of the existing system. The significance of this report was not only the cost estimates attributed to highway construction, but the fact that, for the first time, highway maintenance was being defined as a major need. Like the preceding one, this study did not cite specific projects or routes in its discussion of cost estimates.[5]

Highway Costs and Revenues: The Present Dilemma (1981)

Highway Costs and Revenues: The Present Dilemma was published in July, 1981. The significance of this study lies in its focus on highway maintenance needs. The report cited the failure of revenues to keep pace with costs as a contributing factor in the deterioration of road conditions. In addition, expenditures on existing roads and bridges were not keeping pace with new construction expenditures, and as a result, our highways were rapidly deteriorating.

Statistics compiled by the Highway Users Federation established that only one-third of the major roads were rated in good condition by the United States Department of Transportation; one in five major bridges were in need of major repair. In addition, segments of the interstate system needed reconstruction, and liability cases against state highway departments were increasing at a dramatic rate. The maintenance needs were further complicated as additional construction needs were being identified.[6]

Report of the Commission on Kentucky's Government (1991)

The transportation segment of this report observed that constant fluctuations exist within the expenditure category of the state construction program. This program, which includes projects built by use of one hundred percent state road fund dollars, is the program used to balance the budget. Priority is given to statutory programs, debt service, and federal match programs, while state construction, resurfacing and maintenance receive the remaining allocations.[7]

Observations After a Review of the Literature

(1) The federal and state approaches to highway programs is an important difference. The philosophy of the federal interstate program has been primarily to connect major economic centers of the states. The state approach has been to connect those rural areas of Kentucky to its major trade centers through the parkway program. However, the major funding priority is to assure that no federal dollars are lost, leaving the highway budget to be balanced in the non-federal construction, resurfacing or maintenance program. In times of state revenue shortfall, the state approach of connecting the rural areas is sacrificed.

(2) As vast as the highway needs appear to be, no study specifically identified the corridor deficiencies which exist in the Commonwealth. The lack of identification of corridors makes any movement toward bolstering revenue difficult to fully address.

(3) For twenty years the needs assessment dealt solely with new construction. Any new needs assessment for highways should also concern itself with resurfacing and maintenance needs, which are becoming a significant fiscal problem for state highway departments.

(4) The studies recognize highways as major contributors to social and economic growth throughout the state.

Chapter I—Footnotes

[1] *Financing Kentucky's Roads and Streets*; Bureau of Business Research; College of Commerce, University of Kentucky, Lexington, Kentucky; November 1956, pgs. 2-3.

[2] *Toll Roads: Economic Impact*; Dr. Claude M. Vaughan; Office of Business Development and Government Services; University of Kentucky, Research Report #60, Legislative Research Commission; Frankfort, Kentucky, September 1971; pg I-3.

[3] *The Road Fund Crisis*, Claude M. Vaughan; Office of Business Development and Government Services, College of Business and Economic University of Kentucky; Lexington, Kentucky; January 1972; pgs. 40-45.

[4] *Kentucky's Future Transportation Needs*; Research Report 122, Legislative Research Commission; Frankfort, Kentucky; September 1975; pgs C,40-41.

[5] *Report of the Governor's Task Force on Transportation*; November 9, 1979; pg. 23.

[6] *Highway Costs and Revenues: The Present Dilemma*; Research Report 139, Legislative Research Commission; July 1981; pg. 5.

[7] *Report of the Commission on Kentucky's Government*; Research Report 254; Legislative Research Commission; March 1991; pg. 56.

CHAPTER II
METHODOLOGY IN ASSESSMENT OF HIGHWAYS NEEDS

Several states and the federal government, through the Appalachian Regional Commission, have made attempts to identify beneficial highway projects. Criteria used to evaluate projects include the identification of deficiencies in existing corridors, promotion of economic development through highway construction, highway sufficiency ratings, traffic volume data and accident data. These entities have used a variety of methods to prioritize proposals, and this chapter will explore some of these efforts.

A few states have established highway programs based on one or more of these criteria. An attempt has been made to review some of these efforts to determine whether these factors are applicable to Kentucky.

Accessibility Model

An adage suitable to the transportation network is that a "chain is only as strong as its weakest link". A study of the road corridors is an attempt to locate the weak links of the existing highway system.

In the late seventies and early eighties, North Carolina was faced with rapid population and economic growth. At the same time, politicians promised highway projects and plans were prepared, but, due to a shortage of funds and the lack of a "concrete" set of construction priorities, construction was often delayed or abandoned. In an effort to curb this stop-and-start cycle of highway construction, the 1987 General Assembly created a North Carolina Highway Study Commission. The charge of this group was to establish a method to meet the state's backlog of construction needs.

The commission developed a plan, based on accessibility for all areas of the state, which was later adopted by the North Carolina General Assembly, and sought to achieve the following goals:

- construct 2,580 miles of new highways;
- directly serve 82 of 100 counties;
- serve all 15 major urban areas greater than 50,000;
- bring 57 of 81 urban areas of 5,000 or less to within three miles of a strategic highway;
- bring 47 of 71 small urban areas of 5,000 to 50,000 population to within three miles of a strategic highway;
- bring 76 of 81 urban areas of 5,000 or less to within ten miles of a strategic highway;
- bring 66 of 71 small urban areas of 5,000 to 50,000 to within ten miles of a strategic highway;
- serve 92% of the state's population; and
- serve 79% of the state's land area.

The Commission also assigned costs to these projects. In order to meet the goal of optimal accessibility for all areas of North Carolina, the following cost criteria were established:

- $4.9 billion was needed for urban area by-passes;
- $2.3 billion was needed for rural primary highways;
- $1 billion was needed for initial treatment of unpaved roads; and
- $1.6 billion was needed for updating inadequate bridges.

In response to the recommendations of the Commission, the North Carolina General Assembly established in 1989 a Highway Trust Fund Program for meeting the goals of the Commission. Specific routes were named in the legislation and trust fund revenue would be derived from a variety of fee and tax increases levied upon vehicle users. The trust fund would eventually raise $9.1 billion over a period of 13-15 years.

Economic Development Model

The State of Iowa established a road construction program geared towards enhancing economic development. In 1985, the Iowa legislature created a program entitled Restoring Iowa's Sound Economy (RISE). The RISE program focuses on the concept that an adequate highway system will encourage economic diversification, new business opportunities, small business development, exporting/importing and tourism. The program is administered by the Iowa Department of Transportation, and three types of programs may be funded: immediate opportunity projects, local development projects, and regional development projects.

The Iowa Department of Transportation is required by statute to award points on any RISE project based on the following criteria:

A project which has greater consistency with the state strategic plan;

A business with a greater percentage of sales out-of-state;

A business with a higher proportion of in-state supplies;

A project which would provide greater diversification of the state economy;

A business with fewer in-state competitors;

Potential for future job growth;

A project which is not a retail operation;

Quality of jobs to be provided;

Whether the business has a record of violations;

Provisions made by the company for hiring residents of the state; and

Impact of the project on other businesses in competition with the business being considered.

The RISE program is funded through revenues dedicated by the imposition of motor fuel and special fuel tax revenues. Fifty percent of the RISE program is to be used by Iowa DOT on state primary and state park roads; twenty-five percent is for use of counties on secondary, state park or county conservation roads; and twenty-five percent is for use of cities on city and state park roads. All incorporated cities and all ninety-nine Iowa counties are eligible to apply for RISE funds. The Department of Transportation is eligible to initiate projects and receive funds. Private developers, firms or other agencies may not apply directly for RISE funds, but are encouraged to work with county or city governments in seeking project funding.

Finally, it should be noted that both North Carolina's Transportation Improvement Program and Iowa's RISE program are separate and distinct programs. Each state also engages in a regular highway construction program to improve state roads which may not be a part of these special allocations.

The Appalachian Regional Model

The 1965 United States Congress passed the Appalachian Regional Development Act, creating the Appalachian Regional Commission. The Appalachian region consists of a 195,000 square mile area that follows the Appalachian mountain range from southern New York to northern Mississippi. The region contains 49 eastern Kentucky counties.

The 1965 Congressional Act sought to resolve various problems attributed to the region. In its report to the President, the Appalachian Commission stated:

> The remoteness and isolation of the region lying directly adjacent to the greatest concentrations of people and wealth in the country is the very basis of the Appalachian lag. Its penetration by an adequate transportation network is the first requisite of its full participation in industrial America.[1]

A goal of the Appalachian Regional Commission is to provide access within the region to corridors of the interstate system. The purpose of this system is to stimulate the flow of people and goods into and through these remote areas. As stated in the Committee's report:

> This system would be designed to provide access to these presently inaccessible subregions of Appalachia . . . and will be built as instruments of economic development.[2]

Historically the concept of developmental benefits was seldom used to justify highway construction in the United States. Construction, maintenance and right-of-way costs, along with direct user benefits, were the primary basis for evaluation of highway feasibility. The Appalachian Regional Development Act clearly stated that the purpose of the public investments must be:

> . . . to assist the region in meeting its special problems by concentrating in areas

where there is significant potential for future growth and where the expected return on public dollars invested will be the greatest.[3]

In determining where various proposed segments would be located, the Commission utilized four goals:

1. to link key centers in the Region to national markets, thus making them more competitive;
2. to provide more efficient flow of commerce through the Region in order to develop the more isolated areas;
3. to facilitate the travel of people to new jobs; and
4. to open up new sites for development.

The establishment of these goals led to the identification of 24 corridors throughout the Appalachian region. Kentucky contains eight of the corridors. The total mileage in the Appalachian system is 3,037 miles, with 905 miles left to be completed. In Kentucky, the system consists of 583 miles, with 81 miles left to be completed.

Conculsion

The Task Force to Study Highway Needs reviewed the North Carolina plan to provide highway accessibility to all areas of their state, the Iowa plan to link highways to economic development, and the Appalachian Regional Commission's criteria which factor accessibility and economic development into its equation for highway construction.

The decision of the Task Force was to identify corridors of strategic importance to the Commonwealth. The objective of the Task Force was to select a system of highways which would ultimately provide four-lane access within twenty-five miles of every county in Kentucky.

The strategic corridor system, as defined by the Task Force, would include the interstate, parkway, Appalachian Development Highway System, and other routes of significance. The next chapter identifies the routes in the Task Force's highway system and places emphasis on those which warrant major improvements.

Chapter II
Footnotes

[1] *Highway Transportation and Appalachian Development*; Research Report No. 13; Appalachian Regional Commission; September 1970; pg. 1.

[2] *Development Highways in Appalachian Kentucky*; Kentucky Department of Highways, 1966; pg. 3.

[3] *Highway Transportation and Appalachian Development*, pg. 5.

CHAPTER III
ASSESSMENT OF HIGHWAY NEEDS

The Task Force to Study Highway Needs held public hearings in all twelve highway districts. These hearings assisted the Task Force in identifying projects being proposed by the Department of Highways' personnel and the local elected officials of the district.

The intent of the Task Force was to identify those corridors which would have the greatest impact on a region. The Task Force defines corridor as a major route through Kentucky or a route which connects a rural area to its regional center or another corridor. While the Task Force recognizes the needs for storage lanes, local connector roads, curve realignments and other types of local improvement projects, priority was given to establishing a system of roads which would allow each region better access to larger markets of the area. The state's philosophy of road building, the Task Force believes, should continue to emphasize connecting the rural areas to the urban markets.

The finding of the Task Force is that the 1990-1996 highway construction proposal is the best starting point for the future of road building in Kentucky and these identified needs should be addressed prior to the introduction of other needs.

The information obtained through the hearing process, coupled with an examination of the highway accessibility of every county in Kentucky, allowed the Task Force to develop its strategic highway corridor system. The highway corridor system includes the existing limited access system, key US routes, and other corridors which need upgrading to four lanes.

The following discussion is the strategic corridor system identified by the Task Force to Study Highway Needs. The first segment is a list of highways which currently provide adequate access to the Commonwealth. Following that list is a discussion of highways which the Task Force identified as needing improvement in order to provide access to all regions of the Commonwealth.

Adequate Corridors

The following routes have been determined to provide adequate accessibility, with the exception of minor reconstruction and improvements which will maintain the functional integrity of the existing system. For example, several interstate routes need additional lanes and these improvements are critical to the highway network. In addition, many of the proposed corridors will connect to the routes presented in this section.

East to West Corridors

Interstate 64
Mountain Parkway from I-64 to Campton
Bluegrass Parkway
Western Kentucky Parkway
Cumberland Parkway
Interstate 24
Audubon Parkway

North to South Corridors

Interstate 75
Interstate 65
Green River Parkway
Pennyrile Parkway
Purchase Parkway
Interstate 71

Circumferential Corridors

Interstate 264
Interstate 265
Interstate 275
KY 922, KY 4, US 25

The Task Force is defining an adequate corridor as an existing facility of four or more lanes. Despite this categorization, some of these corridors will need reconstruction in order to maintain their functional value. The improvements for those purposes are estimated by the Department of Highways to be $2,230,400,000.

Corridors Needing Development

The routes which follow are projects for which the Task Force is recommending improvement. The Task Force recommends that each route be designed as a four-lane facility; however, it realizes that initial reconstruction as quality two-lane routes may be a desirable goal.

The discussion of each route will provide the rationale for project inclusion, points of interest along each route and a cost estimate provided by the Department of Highways.

U.S. 23

U.S. 23 is the major north to south corridor in eastern Kentucky. It enters the state at South Shore, Kentucky and exits at Jenkins, Kentucky. Its route intersects with major east to west corridors including I-64, KY 114 (connects to Mountain Parkway), KY 80, and U.S. 119. This corridor is the major route in eastern Kentucky and serves to connect the region with the larger markets in all directions.

Completion of the segments of U.S. 23, as authorized by the 1990 road bond issue projects, was emphasized at public hearings in Districts 9 and 12. The entire length of this route will be four-lane upon completion. Points of interest along this route include: Paintsville Lake State Park, Jenny Wiley State Resort Park, Fishtrap Lake, and Dewey Lake.

This route will complete U.S. 23 as a four-lane facility from monies allocated by the 1990 bond issue and federal highway development funds. For that reason, no cost estimate is included.

U.S. 25E

U.S. 25E connects with I-75 at Corbin and extends southeast to Middlesboro and into Tennessee. Points of interest along this route include: Pine Mountain State Resort Park, Kentucky Ridge State Forest, and Cumberland Gap National Historical Park.

Two segments of U.S. 25E are currently under construction. A section south of Barbourville to Pineville is being funded by the 1990 bond issue. A second project is the Cumberland Gap tunnel project just south of Pineville. Upon completion of this project, U.S. 25E will be a four-lane facility. For that reason no cost estimate is included.

U.S. 127

U.S. 127 is a north to south corridor entering the state at Newport and extending south to Static, at the Kentucky line, and on into Tennessee. The current bond issue will provide major reconstruction along this route. In addition, U.S. 127 will provide access to I-64, the Bluegrass Parkway and the Cumberland Parkway. Points of interest along this route include: Buckley Hills Wildlife Sanctuary, Old Harrod State Park, Isaac Shelby State Historic Shrine, Constitution Square, Herrington Lake, Lake Cumberland, and Dale Hollow Lake.

The 1990 bond issue included several sections of U.S. 127 for improvements. The six-year road plan included $105,977,000 in projects for the U.S. 127 corridor. In addition, $79,000,000 was cited in long range needs for U.S. 127.

US 119

US 119 enters Kentucky at South Williamson and traverses the southeast border of Kentucky, intersecting US 25E at Pineville. The route joins US 23 at Pikeville; therefore, the segment from Dorton to Jenkins is incorporated into the current bond issue, as is a section of US 119 over Pine Mountain to Letcher County.

The improvements of US 119 can be divided into two distinct sections: the section between South Williamson and Pikeville and the section between Pineville and Jenkins. The section between South Williamson and Pikeville was identified by the local officials at the District 12 hearing as a major need. The two-lane section traverses two mountains and its narrow curvy nature makes it hazardous. Improvement to the section would also extend a multi-lane road into a previously isolated area of Pike County, allowing easier access to I-77 in

West Virginia, opening the area to eastern markets.

US 119 from Pineville to Jenkins crosses Letcher, Harlan, and Bell Counties. These counties have been established as being at least 25 miles away from an existing continuous four-lane highway. This project was also identified at the District 11 public hearing as a major corridor need for the region. The counties which will directly benefit from this improvement have the following unemployment and per capita income figures:

County	Unemployment	Per Capita Income
Bell	9.95%	$9,049
Harlan	9.43%	9,486
Letcher	8.27%	8,578
Pike	9.43%	10,126
Statewide Average	6.20%	12,829

Development of US 119 would give this region an east to west route which would provide greater access to the US 23 corridor in Eastern Kentucky, and the US 25E corridor, which accesses Interstate 75. These connections would provide access to major markets in the northeast and southeast. A segment of this route was placed in the 1990 road bond issue. The estimated cost of the remaining portion of the project is $782,780,000.

US 460

The section of US 460 from Pikeville to the Kentucky-Virginia line is identified as a corridor which needs development. Improvement to this corridor was mentioned at the public hearing in District 12. The justification provided was improving tourist access to Fishtrap Lake and the Breaks Interstate Park.

A construction project in this area would also improve access to an isolated area of Pike County. The county has an unemployment rate in excess of 9% and a per capita income of approximately $10,000, which is about $3,000 less than the statewide average.

US 460 would connect at Grundy, Virginia, and eventually would access Interstate 77 at Princeton, West Virginia, to the east. The west connection at Pikeville would connect US 23, which is a major north-south corridor in the Eastern United States. US 23 connects with Interstate 64 in northern Kentucky, and the nearest interstate connection to the south is Interstate 77. The estimated cost of this project is $150,000,000.

The Mountain Parkway and KY 114

The segment of this corridor needing improvement is from Campton to Prestonsburg. The parkway's four-lane section currently stops at Campton and continues as a two-lane route from Salyersville to Prestonsburg, with truck climbing lanes to Salyersville, where it connects with KY 114. KY 114 is a two-lane route which connects with US 23. The counties directly benefiting from this project are Wolfe, Magoffin, and Floyd.

The extension of the Mountain Parkway was cited as a need at the public hearings in Districts 10 and 12. A concern mentioned at these hearings was that the completion of US 23 would allow easier access to out-of-state markets by the populace in this area. The parkway has long provided Eastern Kentucky a connection to Lexington as a retail center, but the lack of improvement to this route could change the habits of consumers, especially with the completion of improvements on US 23. Magoffin and Floyd Counties are both at least 25 miles from an existing four-lane facility. An improved east to west feeder in this area would connect north/south corridors at both ends. The west connection is Interstate 64 at Winchester, just 16 miles from the Interstate 75 junction. The east connection is US 23, which has been mentioned previously.

Wolfe, Magoffin and Floyd Counties have unemployment rates between 9% and 15% and per capita income ranging from $7,000 to $9,500. Both Wolfe and Magoffin Counties have unemployment rates about twice the statewide average. State Parks along this route include Natural Bridge State Resort Park and Red River Gorge. The estimated cost of this project is $350,000,000.

KY 15

KY 15 traverses Wolfe, Breathitt, Perry, and Letcher Counties. Improvement to this corridor would provide easier access in these counties to the Mountain Parkway and US 119 south of Whitesburg.

This improvement was cited as a need in the public hearing in District 10 and, as a corridor, need by the Economic Development Cabinet. Breathitt, Perry and Letcher Counties are all at least 25 miles from a continuous four-lane highway. The unemployment rate is approximately 9% in each county and the per capita income is about $9,000.

Breathitt County is one of the counties previously identified as a county with only Kentucky routes. Buckhorn Lake State Resort Park is located along this corridor. The estimated cost of this project is $473,700,000.

KY 7

KY 7 was identified as having potential regional significance at the public hearing in District 9. This route is a north to south corridor which crosses one of the most economically depressed area in Kentucky. The proposed improvement would connect KY 7 to Interstate 64 in Carter County and the Mountain Parkway at Salyersville. The counties receiving direct benefit from this corridor improvement are Carter, Elliott, Morgan, and Magoffin. Grayson Lake State Park lies along this corridor.

Morgan and Magoffin Counties are 25 miles from a continuous four-lane highway and the major route in Elliott County is KY 7. The following economic data reveal problems associated with this area.

County	Unemployment	Per Capita Income
Carter	12.47%	$8,590
Elliott	17.75%	6,597
Magoffin	14.84%	7,271
Morgan	13.61%	7,758
Statewide Average	6.20%	12,829

The estimated cost of this project is $548,800,000.

KY 11

KY 11 was identified as a need at the District 10 meeting. This route is a north to south corridor which connects at the Slade exit on the Mountain Parkway and runs south to just east of Manchester on the Daniel Boone Parkway. This corridor has been upgraded from Slade to Beattyville. Counties receiving direct benefit from improvement to the remaining segment of KY 11 include Lee, Owsley, and Clay.

Lee and Owsley Counties are areas which have been previously identified as having only Kentucky routes. Owsley and Clay Counties are both outside of the 25-mile criterion. These counties can also be identified as depressed areas by the following data:

County	Unemployment	Per Capita Income
Clay	9.42%	$7,352
Lee	8.79%	7,389
Owsley	8.71%	6,953
Powell	10.23%	8,398
Statewide Average	6.20	12,829

The estimated cost of this project is $352,000,000.

US 421

US 421 is a major highway in the network of interstate connectors. Designed and built prior to the Interstate System, US 421 enters Kentucky in Trimble County just across the Ohio River from Marion, Indiana, and exits the state just south of Harlan, Kentucky.

The need for improvement on this route was mentioned at public hearings in Districts 5 and 11. The concern in District 5 was the improvement from the Kentucky border to Interstate 71. This project should also include bridge replacement at the Ohio River and improved access to the bridge. Although Trimble County has a low unemployment rate, by serving as a bedroom community to Louisville, Northern Kentucky and Marion, Indiana, the route is in need of improvements for safety reasons.

A second segment of US 421 needing improvement is from Interstate 75 in Richmond to the Daniel Boone Parkway in Manchester. The counties directly benefiting from this project include Madison, Jackson and Clay. The reason for development of this route is to provide Southeast Kentucky better access to the urban area of Central Kentucky. Both Jackson and Clay Counties have high unemployment rates.

A third segment of US 421 identified as needing improvement is the section from Hyden to the Kentucky-Virginia border. The improvement of this route would provide Southeast Kentucky easier access to Interstate 81 in Virginia and, via the Daniel Boone Parkway,

Interstate 75 at London. The counties directly benefiting from this improvement, Leslie and Harlan, are both 25 miles away from a continuous four-lane highway. Kentenia State Forest and Cranks Creek Wildlife Management Area lie along this corridor. The estimated cost for all improvements along this corridor is $1,004,320,000.

AA Highway

When the Alexandria to Ashland highway was initially established as a economic development corridor, a need was established for a four-lane link. Although the rights-of-way for four-lanes were purchased for most of the corridor, the majority of the highway was built with two lanes, with appropriate truck climbing lanes. For this reason, the four-laning of the AA Highway will continue as a needed improvement.

Counties which will receive direct benefit from this project are Bracken, Mason, Lewis, Carter and Greenup. Bracken, Mason, and Lewis are listed as being more than 25 miles from a four-lane highway. In addition, the AA Highway is the major route in Bracken and Lewis County. Greenbo Lake State Resort Park and Carter Caves State Resort Park are near this route. The estimated cost for this project is $344,000,000.

U.S. 431

U.S. 431 was identified as a need by various local officials through correspondence with the Task Force and at the public hearing in District 3. U.S. 431 is a north to south route entering Kentucky at Owensboro and exiting south of Russellville in Logan County. Counties receiving direct benefit from inclusion of this route are Logan, Muhlenberg, McLean, and Daviess. Points of interest along this route include Kentucky Wesleyan College, Brescia College, Ben Hawes State Park, and Lake Malone State Park. The cost estimate for construction of U.S. 431 is $320,000,000.

U.S. 431 would provide a north to south corridor which connects to the Western Kentucky Parkway, Interstate 65, and U.S. 68/80, which are routes named in the corridor system. The route is the main highway artery for Logan Aluminum. Logan Aluminum is expanding its operation, which currently generates 7,000 tractor-trailers trips per month on the U.S. 431 corridor. The expanded plant will employ close to 1,000 people.

KY-32-Morehead to Flemingsburg New Route-Flemingsburg to Corinth

The Subcommittee was charged with recommending a strategic corridor system and relied heavily on the public hearing data in the development of the proposal. After the routes presented at the public hearing were reviewed, it was determined that an accessibility gap existed in an area of northeast Kentucky. The solution was to recommend improvement of KY 32 from the intersection of Intestate 64 at Morehead north to Flemingsburg, and a new corridor from Flemingsburg to the Interstate 75 exchange at Corinth.

This project would ensure adequate access for Flemingsburg, which is more than 25 miles from a four-lane road. The entire area would also be provided better access to Morehead State University and Toyota Manufacturing. The estimated cost of this project is $297,500,000.

US 68

Two segments of US 68 are mentioned as highway corridors which need improvements. The first section is the route from Maysville to northeast of Lexington. A second segment is the route southwest of Lexington to the Cumberland Parkway in Metcalfe County.

The Maysville to Lexington corridor was identified as a need by the Economic Development Cabinet and at the public hearing in Districts 7 and 9. The route would provide access to Fayette, Bourbon, Nicholas and Mason Counties. Nicholas and Mason Counties are both at least 25 miles from a continuous four-lane highway. The major need being cited for this corridor was economic development. Blue Licks Battlefield State Park is located along this route.

This route, in conjunction with the new Ohio River bridge at Maysville and highway improvements along US 62 in Ohio, would decrease traveling distance from Lexington to Columbus, Ohio, by approximately 45 miles. In addition, the corridor might serve to decrease traffic on Interstate 75, 71, 275 and 471 by offering an alternative route through Northern Kentucky.

The segment from Lexington to the Cumberland Parkway was offered by the Economic Development Cabinet as an extension to the

first segment. The rationale for this corridor would be an east to west interstate connection between the automobile manufacturing concerns in Maryville, Ohio; Georgetown, Kentucky; and Spring Hill, Tennessee. The Cabinet believes improvement of US 68 could generate satellite manufacturing plants servicing these automobile manufacturers.

A parochial concern is that US 68 would provide better access to Marion and Taylor counties. These counties are included in those which are 25 miles from a continuous four-lane highway. Fort Harrod State Park, Perryville Battlefield State Historic Shrine, and Green River State Park are located along this corridor. The estimated cost for the improvements along this corridor is $931,000,000.

Daniel Boone Parkway

The Daniel Boone Parkway is a toll facility from Hazard to London in Southeast Kentucky. The counties directly benefiting from improvement on the corridor are Perry, Leslie, Clay and Laurel. All of these counties, except Laurel, are 25 miles from a continuous four-lane highway. The Levi Jackson Wilderness Road State Park is located along this route. The estimated cost for this project is $350,000,000.

The route was not specifically identified as a need at the public hearing but was included by the Economic Development Cabinet. The Cabinet's primary reason for including this route is related to the proposed Interstate 66 corridor. If the corridor becomes a reality, the Daniel Boone Parkway could become a segment of this highway. A more detailed discussion of Interstate 66 will appear at the end of this chapter.

KY 150

An improvement to KY 150 from Stanford to Mt. Vernon was discussed as a need at the District 8 public hearing. The Economic Development Cabinet has also included the route in its list of needs. This corridor would provide an east to west system between Interstate 75 in Mt. Vernon and US 127 in Danville. This route, coupled with recent improvements to KY 461 between Somerset and Mt. Vernon, provides the entire region between Lexington, Glasgow, and London with several viable alternatives in east to west or north to south travel. The William Whitley House State Historic Shrine is located along this corridor. The estimated cost for this project is $125,000,000.

KY 80

The Economic Development Cabinet identified the section of KY 80 between Bernstadt in Laurel County and Shopville in Pulaski County. Improvement of this corridor would provide a multi-lane route from Hazard to Bowling Green. In addition, ongoing improvement would extend a multi-lane segment through Bowling Green to Cadiz. Additional discussion of this route will occur in the Interstate 66 section. The estimated cost for this project is $77,000,000.

KY 92

The need for improvements to KY 92 was voiced at the District 8 public hearing. The proposed improvement to KY 92 provides better access to the Big South Fork Park Recreation Area, Cumberland Falls, and the lake region of south central Kentucky. Concerns were voiced that lack of access has caused Kentucky to lag behind Tennessee in marketing this recreational facility. In addition, Wayne County has been identified as a county whose major route is a Kentucky route, and it is 25 miles away from a continuous four-lane highway.

McCreary County has a per capita personal income of $6,300 and an unemployment rate of 13.8%. Wayne County shows a per capita income of $8,000 and an unemployment rate of 8%. Both counties fall far below the statewide average in each category. The estimated cost for this project is $360,800,000.

KY 90 and KY 61

The need for improvement to KY 90 was voiced at the District 8 public hearing. In addition, this corridor segment is part of the Appalachian Development Highway System. Ky 90 begins in Burnside and ends in Glasgow. Counties directly benefiting from the project are Pulaski, Wayne, Clinton, Cumberland, and Metcalfe. Wayne and Cumberland Counties are located further than 25 miles from a continuous four-lane highway. In addition, the major routes in these two counties are Kentucky routes.

The road improvements from Burkesville to the Tennessee line would provide a better north to south access to Dale Hollow Lake. The route could promote greater tourism in the area, if developed in conjunction with KY 92,

which also improves access to tourist facilities. The estimated cost for this project is $496,000,000.

US 231

US 231 was discussed as a need at the public hearings in District 3. The route provides sole ingress and egress to the Dollar General distribution facility in Scottsville. This current facility is a winding two-lane route which is heavily traveled by semi-trailers. Heavy usage and numerous fatal accidents warrant improvements of this route. The estimated cost for this project is $122,080,000.

US 60

US 60 is a major federal route through Kentucky. Concern for improvements to this route was voiced in the meeting in District 1, 2 and 4. Four segments of this route were selected for improvements. Corridor improvements to US 60 would provide better access from Paducah through extreme northwest and north-central Kentucky to Louisville.

The four corridors selected for improvement are US 60 from US 31W in Meade County to Hawesville in Hancock County, Lewispoint in Hancock County to east Owensboro, Henderson to Paducah, and west of Paducah to Wickcliffe. Counties receiving direct benefit from these improvements include, Meade, Breckinridge, Hancock, Daviess, Henderson, Union, Crittenden, Livingston, McCracken and Ballard. Counties along this route which are at least 25 miles from a continuous four-lane highway include Meade, Breckinridge, Union, and Crittenden. Points of interest along this corridor include: Otter Creek Park, Ben Hawes State Park, Audubon State Park, Higgins-Henry Wildlife Management Area, and Peal Wildlife Management Area. The estimated cost for improvements along this corridor is $854,400,000.

US 641

The Economic Development Cabinet cited US 641 in its proposal as a highway need. This project would be in conjunction with improvements on US 60 from Henderson to Marion. The economic development plan calls for reconstruction of US 641 from Marion to Eddyville, providing access to the Western Kentucky turnpike and Interstate 24. The estimated cost for this project is $68,000,000.

US 51

Improvements to US 51 from Fulton to Wickcliffe were discussed at the public hearing in District 1 and in the presentation of the Economic Development Cabinet. The project would provide better access from the Purchase Parkway to Wickcliffe and across the Mississippi River to Interstate 57. The route would allow greater access from extreme Western Kentucky to the urban markets of the midwest United States. The estimated cost for this project is $180,000,000.

US 68-80

The improvement discussed in District 1 is an extension to improvements already scheduled on US 68-80 from Bowling Green to Cadiz as part of the 1990 road bond issue. Additional improvements from Cadiz, to Mayfield and Mayfield to Wickcliffe were brought forward in the District 1 public hearing. The route would serve essentially the same purpose as the US 51 project. Trigg, Marshall and Graves Counties would be provided better access to the midwest markets of the United States. In addition, this access should generate tourism for the lake region of Western Kentucky. The estimated cost for this project is $128,000,000.

The segment of US 68-80 included for reconstruction as part of the most recent bond issue is from Bowling Green to Cadiz. If this corridor is not completed as a four-lane segment, it should remain as an unmet need until that standard is accomplished. The proposed expenditure from Bowling Green to Cadiz is $397,900,000, establishing the corridor estimate at $644,640,000.

KY-121

This route was discussed at the public hearing in District 1. Although it was cited initially in regard to the Interstate 66 project, an independent need was also cited, in the event that I-66 is not constructed. The improvement of this route from Mayfield to Wickcliffe would provide direct access from Interstate 57 in Missouri to the lake region of west Kentucky, thus serving to enhance economic development and tourism for the region. The cost estimate for this project is $192,000,000.

Interstate 66

The federal Transportation Appropriation

Act of 1991 included a requirement for an Interstate 66 feasibility study. The I-66 proposal would be a transcontinental corridor between I-70 and I-40, connecting Virginia and California. The study proposal must include a 50-mile wide corridor centered on the cities of Bowling Green, Columbia, Somerset, London, Hazard, Jenkins, and Pikeville.

If the I-66 proposal becomes a reality and passes through these mentioned cities, an interstate corridor in southern Kentucky would be established. The exiting routes in Kentucky which could be absorbed by I-66 include portions of US 119, US 23, KY 80, and US 68. In addition, all of the Daniel Boone and Cumberland Parkways would be incorporated into this route.

The Task Force has included all routes in its highway corridor system. The Task Force recognizes the importance of I-66 to Kentucky, but feels that the corridors which compose this route need improvement, regardless of whether the federal government embraces the I-66 proposal.

Correspondence from local officials in Highway District 2 proposed an alternative to the southern route. This alternative would have Interstate 66 utilize the existing corridor of Interstate 64 from Ashland to Lexington, establish a connector from Interstate 64 to the Bluegrass Parkway, follow the Bluegrass Parkway from Versailles to Elizabethtown, the Western Kentucky Parkway from Elizabethtown to the Intestate 24, junction and I-24 exiting the state at Paducah. Once again, the Task Force has included all these routes in its corridor system.

If the Kentucky Department of Highways engages in improvement of the routes which may become the I-66 project, the design of the routes should not be based on interstate standards. The meeting of interstate standards on any project should only occur as federal matching requirements dictate. No cost estimate has been developed by the United States Department of Transportation on the Interstate 66 proposal.

The development of a viable network of needs could enhance Kentucky's ability to lure industry and promote tourism. The perception of the Task Force, as derived from the hearings, is that the development of roads is the initial capital investment to improvement of the quality of life in any area. The members recognize that other infrastructure and social needs must be met to achieve a strong economy, but even with these types of improvements in place, an area cannot compete for jobs and tourists without an adequate system of transportation. The recommendations offered in this chapter would establish a strong network of roads for all regions of the Commonwealth.

The cost estimated for meeting these needs is $11,186,920,000. This estimate includes each project mentioned, as well as costs projected by the Department of Highway on other segments of the corridor system. As mentioned, the Task Force cites some corridors at the beginning of this chapter as adequate. However, the Task Force recognizes that needs will arise for reconstruction and accommodation for increased traffic on those routes, and for that reason has included $2,230,400,000 to the total financial needs.

CHAPTER IV
DISCUSSION OF TRANSPORTATION POLICY

The public hearing process revealed additional concerns relating to policy matters within the Transportation Cabinet. Issues which surfaced through the course of these hearings ranged from the local role in highway planning to the information needs required to make highway construction decisions. The following are key issues that developed as part of the public hearing process.

Local Involvement in Highway Planning

One of the concerns expressed at the public hearings was the lack of prioritization in the highway construction process. Many local officials testified that they were seeing for the first time the unscheduled needs as presented by the Department of Highways. A second concern was that needs presented at the local level were not appearing in subsequent highway construction documents. The consensus of the meetings was that the local officials worked well with the district office, but that the process broke down as projects were submitted from the district to the central office.

The Task Force determined that a policy was needed to establish a standard method for local input into the highway construction process. The concern in resolving the issue was whether the development of such a method would duplicate the planning effort of the Department of Highways. Two proposals were discussed in an effort to resolve this issue.

(1) BR 482—would create a permanent transportation committee in each Area Development District. Each committee would consist of county judge/executives, mayors, the highway district engineer, and a representative from the Transportation Cabinet in Frankfort. The goal of the committee would be a regional prioritized list of highway projects, to be developed from the prioritized lists brought to the committee by the mayors and county judge/executives. This list would be submitted to the Cabinet prior to the submission of the six-year plan. Subsequent to the issuance of the six-year plan, the Cabinet would respond to each committee on any differences between the committees' proposed projects and the six-year plan. In addition, each committee would conduct a study every two years on the needs of transportation other than highways for their district.

(2) BR 922—would require the fiscal court of each county, to hold public hearings to establish a prioritized list of state maintained roads under the rural and secondary program. The Cabinet would be required to give due consideration to a county's list, and respond to the fiscal court regarding any differences between that list and its plans. In addition, the Cabinet would be required to obtain the written consent of the fiscal court prior to working on any county road under the rural secondary program.

The debate centered around whether BR 482 was a duplication of effort in highway planning. The Task Force eventually agreed to this proposal, citing a need to provide the local officials with a standard method of input for highway planning and a formal method of communication between the Highway Department and local government.

A separate local involvement issue concerns the planning process relating to the use of ural secondary road funds. The statutes require Highway Department personnel to meet with the fiscal court to solicit their recommendation for rural secondary expenditures. Concern was voiced that the state officials would ignore the wishes of the fiscal court when state crews were to work on county. The proposal offered by the Task Force would require the Cabinet to obtain written consent before engaging in such a project.

Intermodal Transportation

The Task Force believes that highways can no longer be considered a separate link in the state's transportation network. Transportation by air, water, rail, and public vehicles is becoming increasingly vital in moving people and goods. This belief is being reinforced by the federal government's growing emphasis on

providing economic incentives to states which promote intermodal transportation planning.

At various points during the interim, the Task Force heard from representatives of air, water, rail, and public transportation. Because of this testimony, the Task Force felt that a coordinated effort needed to be made in the area of intermodal planning. The solution offered by the Task Force is to encourage intermodal planning at the local level through the Area Development Districts. BR 482, which requires highway planning through the Area Development District, calls for the district to engage in an intermodal study every two years.

The Task Force also suggests that any jet fuel tax collected in Kentucky be placed into a trust fund for airport development and aviation programs. Currently, aviation needs are competing with all general fund programs for funding. The perspective offered by the representatives of the aviation industry is that their needs are often overwhelmed by the needs of education, health services and other general fund programs.

Job opportunities in many of our communities seem dependent upon the adequacy of the local airport. Meeting aviation needs in an orderly fashion requires a steady income source. An aviation trust fund would provide this type of income source.

The Task Force was also informed of a revitalized interest in passenger transportation by rail. AMTRAK is unveiling plans for passenger transportation between Chicago and New Orleans. This route would obviously use rail facilities in Kentucky. The Task Force recommends that state and local officials explore the possibility of obtaining at least one Kentucky stop along this proposed route.

An additional concern is the traffic congestion resulting from population growth between the Louisville, Northern Kentucky, and Lexington areas. A solution to this problem appears to lie in the development of a rapid rail system between these areas. The Task Force encourages the Transportation Cabinet to engage in a rapid rail feasibility study, including specific recommendations to the General Assembly on its role in promoting this concept.

Six-Year Construction Plan

A concern of the Task Force was the six-year highway construction plan. The Highway plan provides the public with the construction projects being funded during the current biennial cycle, as well as projects being considered for funding in subsequent bienniums.

The public hearings revealed that frustration exists with local officials are frustrated by changes occurring in the construction proposal. At virtually every hearing, the Task Force was told of a project which had been removed, added or delayed, often without knowledge of the affected constituency.

An early recommendation of the Task Force was to accept the 1991-1996 six-year highway construction plan as the starting point for all future highway work. In addition, the Task Force proposed, in BR 484, requiring the Department of Highways to explain any differences between the construction proposal and the priorities established within the Area Development District.

The Task Force established its concern about the oversight and continuity of the highway construction program. Although specific legislation was not drafted on this matter, the Task Force strongly suggests that the following provisions be placed into statutes to ensure the integrity of each biennial construction plan and continuity from plan to plan:

- Any project addition, deletion, acceleration or other deviation to the normal progression of a construction project be reported on a monthly basis to the General Assembly, accompanied with a detailed rationale for the change;
- A monthly report on all activity of the Highway Department be reported on highway construction projects in a manner that the progress of each project is easily discernible when compared to the biennial plan;
- Priority status be reported on any project mentioned in the planning document as revisions are made to the six-year construction plan in subsequent highway construction plans;
- Assurances be given that projects can be completed in each fiscal year of the biennium based on revenue estimates used for appropriation purposes.

The integrity of the plan is of paramount importance. The General Assembly should be diligent in its review of the construction process; however, it should be the responsibility of the Department of Highways to establish the confidence that any plan submitted will be faithfully executed. The Department of Highways should also be responsible for reporting the plan's progress in relation to the construction schedule as enacted.

Local, Participation in Highway Projects

Another issue discussed at the public hearings was local participation in highway projects. In some instances, testimony established that projects were moved ahead of the plan schedule because local government or affected private concerns assisted in the funding of a project. The assistance could take the form of matching funds or in-kind contribution to the project.

The concern regarding this matter was a that prosperous local government could move projects ahead by engaging in matching funds with the Highway Department. On the other hand, local bridge projects were sometimes cancelled because local government could not meet a required match.

No specific proposal was established to address local participation programs, but the concern of the Task Force is that local governments in poor economic condition will lose projects as prosperous counties promote cost-sharing. Since roads have an effect on economic health and development, an uncontrolled policy on matching funds could increase the gap between the prosperous and poorer counties.

Information Needs

The Task Force believes that the exchange of data is critical in the area of transportation. A compatible method needs to be established so that affected parties can determine project status from the beginning of a project until its completion. Information would reduce confusion over project status, promote critical questioning on issues such as traffic counts, accident data or other concerns, and permit interested parties access to data being reviewed by the Highway Department on specific projects.

A Task Force concern is that such highway information needs to be developed in conjunction with other agency concerns. This concept of using the data would promote a coordinated system of planning in state government. While the Task Force realizes that other study groups are working on this issue of information systems, the Task Force supports the concept of making information systems compatible and available to those in need of the data.

Department of Highways Involvement in Local Policy

The Task Force heard testimony in several instances establishing that various local concerns would sometimes promote a development and then expect a road to be improved or built to the facility. Schools, industrial sites, recreational facilities, and other examples were cited. This sort of action at the local level illustrates another lack of communication between state and local government.

Local government, school boards, planning and zoning commissions and other bodies which have a voice in site location of new facilities should be encouraged to consult the highway department as potential sites are being discussed. In several instances, the Task Force heard of proposed industrial sites that would cost millions of dollars when another site with adequate access seemed equally feasible.

The same situation occurred in proposals for new schools and shopping centers. In addition, the Task Force heard testimony regarding instances in which consulting firms determined that newly constructed recreational or business facilities would not substantially increase local traffic in an area. The Department of Highways was not apprised of any of these situations, yet was expected to provide adequate access upon project completion.

The Task Force has established that there are insufficient resources to provide for all highway needs. The situation will be compounded if local leaders do not involve the highway department in site selection decisions.

CHAPTER V
FINANCING OF KENTUCKY'S HIGHWAYS

Kentucky, like many states, has in place a fund dedicated to the construction, reconstruction, and maintenance of its public highways. This fund, which is constitutionally mandated in Section 230 of the Kentucky Constitution, is titled, "Road Fund". Consistent with its mandate, the Road Fund has been the foundation on which the various highway programs in Kentucky have been built.

In the 1980's, the Road Fund has been assisted by various revenue enhancement statutes and to an equal degree, the involvement of other fund sources, respectively, in its support of the highway program. Those "other fund sources" have been the product of various revenue bond initiatives that have evolved under the auspices of the Turnpike Authority of Kentucky and monies from the Federal Highway Trust Fund (FHTF). They will be discussed later in this chapter. Revenue increases to the Road Fund in the 1980's have come in the form of motor fuels taxes, motor carrier taxes, and truck and car registration fees.

Motor Fuels Tax

The motor fuels tax represent the largest source of revenue to the Road Fund. Its average percentage input, over the last 12 fiscal years is forty-five percent (45%). In FY 1990-91, the contribution was 45.3%. When consideration is given to the amount that is statutorily committed to municipal and county governments, the motors fuel tax input for state roads drops to approximately 36% in FY 1990-91. This percentage is above the national average (34.6%).[1] Prior to 1980, the motor fuels tax in Kentucky had an effective rate of nine cents per gallon. The 1980 General Assembly changed the motor fuels tax rate, through the enactment of House Bill 973, to a rate based on the "Average Wholesale Price" of motor fuel. Nine percent of the average wholesale price of motor fuel, whose initial (floor) price was set at $1.00 per gallon, created no change in the effective rate (9 cents per gallon) of motor fuel (for FY 1981-82), but it did allow for an automatic adjustment of the rate (no more than ten percent annually) if the average wholesale price of motor fuel increased. The 1982 General Assembly raised the "floor" of the average wholesale price of gasoline to $1.11, which automatically raised the effective rate of motor fuels tax to ten cents per gallon. Conversely, the 1982 General Assembly included a ceiling ($1.50) for the "Average Wholesale Price". This legislation's real impact on the effective tax rate at the time that it became law was nil, because the average wholesale price of motor fuel, at the beginning of FY 1981-82 had already exceeded ($1.12 per gallon) the newly enacted floor.[2] The effective tax rate of motor fuel at the beginning of FY 1981-82 was 10.4 cents per gallon. By October of 1981, the average wholesale price of motor fuel fell back to the floor level, and has never exceeded the floor to this date. Consequently, the effective rate of the motor fuels tax has remained at ten cents per gallon (9% of $1.11). In 1986, the General Assembly enacted House Bill 126, which created a "Supplemental Highway Users" Motor Fuels tax. Table 1 shows a schedule of motor fuels tax receipts generated since FY 1979-80. Based on the receipts shown in that table, the revenue impact of the motor fuels tax adjustments made by the 1980 and 1982 General Assemblies were not significant. The adjustments made to the motor fuels tax made by these legislative bodies were not tax rate increases, but conditions set forth in statute that made the existing tax rates sensitive to the average wholesale price of motor fuel and less sensitive to the rise or fall in the demand for motor fuels. This table also illustrates the significant revenue impact of the presence of the Supplemental Highway Users Motor Fuels tax after FY 1985-86. The additional five cents per gallon tax (2 cents per gallon-Special Fuels) generated approximately $93.7 million in FY 1986-87, a 49.8% increase.

TABLE 1

MOTOR FUELS TAX RECEIPTS
SUPPLEMENTAL

Fiscal Year	Motor Fuels	Highway Users	Total	% Increase
1980	$179,743,189		$179,743,189	
1981	$172,536,613		$172,536,613	-4.01%
1982	$193,425,167		$193,425,167	12.11%
1983	$189,884,422		$189,884,422	-1.83%
1984	$192,386,978		$192,386,978	1.32%
1985	$188,379,430		$188,379,430	-2.08%
1986	$187,501,936		$187,501,936	-0.47%
1987	$187,300,176	$ 93,650,088	$280,950,264	**49.84%**
1988	$202,773,792	$101,386,895	$304,160,687	8.26%
1989	$222,436,919	$111,218,460	$333,655,379	9.70%
1990	$224,290,000	$112,145,100	$336,435,100	0.83%
1991	$218,313,000	$109,156,500	$327,469,500	-2.66%

Source: State Financial Reports

Constraints on the Motor Fuels Tax

Statutorily mandated usages of the motor fuels tax represent a significant factor in how this tax revenue is used within the confines of the Road Fund. The "Revenue Sharing" programs presently receive 48.2% of the motor fuels tax revenue, which is divided among three programs: Rural Secondary Program (22.2%), which supports the state system of rural and secondary roads; County Road Aid Program (18.3%), which supports county controlled and maintained roads; and Municipal Road Aid Program, (7.7%) which supports roads that are maintained and controlled by municipalities across the state. The County and Municipal Road Programs' share of the motor fuels tax was increased by 2.7% and 1.0%, respectively, by the 1986 General Assembly as part of the Supplemental Highway Users Motors Fuel tax legislation (HB 126).

Motor Fuel Consumption Has Remained Consistent Over The Years

The fiscal impact on the Revenue Sharing Programs, in the year (FY 1987) in which the five cents tax took effect, translated into an additional $55.4 million, a 64% increase. House Bill 126 added new obligations to the motor fuel tax revenue. The Kentucky Transportation Center receives one percent, or $190,000, of the motor fuels tax, whichever is less. Additionally, an account titled "Debt Payment Acceleration Account" was established to receive 20% of the five cents Supplemental Highway Users Motor Fuels tax. The monies received by this account are to be used to accelerate the payments of debt service on any Turnpike Authority issued bonds.

A topic related to the motor fuels tax receipts is the sale of gasohol in Kentucky. The sale of gasohol was enhanced with the passage of House Bill 594 by the 1982 General Assembly. This legislation created a credit of thirty-five cents for every gallon of fuel-grade alcohol blended or purchased in a gasoline-alcohol blend (in which the fuel-grade alcohol component was 10%) in the time period July 1, 1982 to June 30, 1986. The sunset date was extended by the 1986 General Assembly (HB 126) to June 30, 1988, with a ceiling (of $21 million, annually) on the total amount of credit that could be authorized. Monetarily, the effect of the gasohol credit was a reduction in the ten cents per gallon gasoline tax (prior to 1986), to 7.5 cents per gallon on gasohol sold in Kentucky. In Table 2,

the impact on gasohol consumption of House Bill 594 can be seen:

TABLE 2

GASOHOL CONSUMPTION
FISCAL YEAR 1981 thru 1989
(Million)

Fiscal Year	Amount	Fiscal Year	Amount
1981	3.7	1986	657.6
1982	2.6	1987	773.3
1983	43.4	1988	713.8
1984	204	1989	538.4
1985	429.4	1990*	186.6

*Half Year
Source: FHWA's "Highway Statistics" Table MF-33GLA (1980-1989)

In FY 1982-83, Kentucky gasohol consumption increased by $40.8 million over FY 1981-82. Gasohol credits over the period from FY 1982-83 to FY 1986-87 totaled $65.9 million.[3]

Major Components-Road Fund

In addition to the motor fuel taxes, other major revenue sources of the Road Fund include Weight Distance Taxes and Motor Vehicle Usage Tax.

Motor Vehicle Usage Tax. This tax is the second largest contributor to the Road Fund. In FY 1989-90, receipts generated from this tax totaled $200 million. The 1990 General Assembly raised the tax rate from five percent to six percent. Codified in KRS 138.460, the motor vehicle usage tax rate is imposed on 90% of the retail price of the vehicle (imposed on 81% of a truck's retail price) at the time of the vehicle registration. For vehicles considered to be "used", the imposition is on 100% and 90% of the automotive reference manual prescribed by the Revenue Cabinet for cars and trucks respectively.

Weight-Distance Tax/Surtax. House Bill 810, enacted by the 1982 General Assembly, established a Weight-Distance tax, which was levied on motor carriers at a rate of 2.85 cents a mile traveled in Kentucky. Codified in KRS 138.660, this tax generated $17.8 million in FY 1982-83, its first year, and presently generates approximately $42 million annually to the Road Fund.[4] The 1986 General Assembly repealed the Weight Distance tax and replaced it with a truck decal tax, titled the "Supplemental Highway Users Tax". This tax, which generated $52.5 million in FY 86-87, was subsequently challenged in court by the American Trucking Association. The case is still active. As a consequence of and in response to the court case, the 1988 General Assembly, through the enactment of House Bill 665, repealed the truck decal tax, reinstituted the Weight Distance tax (at 2.85 cents), and created an additional tax, titled "Weight-Distance Surtax" (at 1.15 cents). The combined rate of 4 cents a mile generated $55.2 million in FY 1988-89 and has continued to generate receipts at a slight increase in each year thereafter[5] Sunset provisions were attached to the Weight-Distance Surtax by House Bill 665. Those provisions allowed for the expiration of this tax when a cumulative amount of $60 million had been generated, or at June 30, 1990, whichever came first. Through the Appropriations Act (House Bill 514) enacted by the 1990 General Assembly, this provision was extended to June 30, 1992, or until a cumulative amount of $63 million has been reached. The surtax has generated $49.7 million through FY 1990-91.[6]

Coal Severance Tax. The 1976 General Assembly passed House Bill 677, which dealt with the usage of coal severance tax receipts. Its impact on highway construction in Kentucky has been significant in two ways: How it has accelerated the progression of projects in the coal-producing counties, and how it has not been allowed to reach its full potential in addressing roads in the eligible counties. House Bill 677 amended KRS 143.090 and required the then Department of Transportation (Transportation Cabinet) to certify to the Commissioner of the then Department of Revenue (Revenue Cabinet) by October 1 of each fiscal year the amount required for lease rental payments to the Kentucky Turnpike Authority (to pay the debt service on bonds) for Resource Recovery Road projects. The Commissioner of Revenue was then required to transfer the "certified" amount to the credit of the Road Fund. Any excess revenue remaining after the transfer was made was required to be deposited in the General Fund. This law has not changed in terms of the transfer to the Road Fund; however, it now acknowledges the "notwithstanding" powers of the Appropriations Act (KRS

143.090 (3)). The power to suspend existing statutes has been used as it relates to Coal Severance Tax transfers to the Road Fund, since FY 1982.

This does not imply that the legislative body acted alone or without cause in suspending this transfer. The Executive Branch budgets initiated this action (in FY 1982) and have continued to recommend this action through subsequent budget submissions to the respective General Assemblies. The rationale for not transferring the receipts is that the positive revenue impact on the General Fund from receiving the amount required to be transferred to the Road fund, was greater than the negative revenue impact on the Road Fund. Because the recommendations have had the concurrence of the respective General Assemblies, the statutory requirement for the Secretary of Transportation to certify annually the amount needed to pay the Resource Recovery debt service payment has been superseded.

The Task Force to Study Highway Needs, in its identification of highway needs in the Commonwealth, has noted in this study the importance of addressing the identified needs and meeting the estimated costs. Several of the identified needs reside in the coal-producing counties, which, as noted in the past, have benefitted from coal severance tax revenue to support highway construction projects (Resource Recovery road projects). With the growing sentiment to return more of the coal severance tax revenue to those counties, coupled with the fact that none of these monies over the last ten years have been transferred to the Road Fund (for lease-rental payments), the Task Force recommends that part of any additional monies recommended to be sent back to the coal-producing counties be used to address the identified highway needs of those counties. Corridors identified by this task force that would be eligible for these monies would be the following: KY-119; US-460 (from Pikeville to the Virginia border); KY-15; KY-7; and US-60.

The use of revenue derived from the severance of coal, stone, and other natural resources is not unique in the United States. Presently, six states (Arkansas, Montana, New Mexico, Oklahoma, Tennessee, and Wyoming) in addition to Kentucky have statutes or regulations that direct all or part of severance tax revenue to the construction, reconstruction, or maintenance of roads.[7] These monies flow directly into a dedicated fund (i.e., State Road Fund, County Road Fund) or pay debt service (as it is used in Kentucky) on highway revenue bonds.

Toll Roads in Kentucky

Toll Roads Receipts as a source of revenue for the Road Fund have steadily declined over the last decade. For example, in FY 1979-80, toll road receipts totaled $18.7 million; they peaked in FY 1983-84 at $20.7 million. From that point in time, revenue has decline to the FY 1990-91 level of $17.6 million. The cause of this decline has been Kentucky's policy of removing tolls from highways whose construction had been financed with bonds that have been retired. Kentucky has had thirteen toll highways built with bonds.

Currently, only six of the highways still impose tolls. The policy of removing toll charges after bonds are retired began with the lifting of tolls on the Kentucky Turnpike by order of the Transportation Cabinet Secretary on June 30, 1975.[8] The performance of the Kentucky Turnpike is unique in Kentucky, in that it was profitable. It was financed with $38.5 million in revenue bonds. Revenue generated from the nineteen-year imposition of tolls totaled $85.8 million, and at the time that tolls were removed, $16.5 million (from a required reserve fund) was credited to the Road Fund. More characteristic of the fiscal performance of Kentucky toll roads were the Mountain Parkway and Mountain Parkway Extension, where the tolls were removed in 1985. In FY 1983-84 revenues totaled $2.98 million, while the lease payment (debt service) totaled $4.45 million and related costs totaled $1.64 million. The account had a $3.11 million deficit.[9] Other Road Fund revenue has subsidized the operations of all but the first Kentucky toll road.

A factor in the need to subsidize the toll road receipts is that Kentucky tolls have been lower than average. Nationally, tolls still are considered an integral part of the financing of highways, contributing five percent of the total state-generated revenue available for highways. Thirty states, including Kentucky, collect tolls on roads and bridges that total approximately $4 billion annually.[10] Twelve of those states' toll receipts represent more than ten percent of the state generated revenue for highways. The majority of the states above the ten percent level have large population centers. Proposed federal highway legislation includes

federal support for toll roads, which would be a first as a national policy.

Highway	Mileage	Date Opened
Kentucky Turnpike	39.2	August 1, 1956
Mountain Parkway	39.0	January 14, 1963
Mountain Parkway Extension	32.24	
Campton		December 16, 1963
Gullett		February 14, 1980
Western Kentucky Parkway	125.74	October 28, 1963
Western Kentucky Extension	7.50	December 11, 1968
Bluegrass Parkway	72.10	October 27, 1965
Jackson Purchase Parkway*	52.58	December 31, 1968
Pennyrile Parkway*	58.95	January 28, 1969
Audubon Parkway*	23.36	December 18, 1970
Daniel Boone Parkway*	62.65	October 28, 1974
Green River Parkway*	70.24	December 15, 1972
Cumberland Parkway*	88.52	February 28, 1973
TOTAL	**672.08**	

*TOLLS in place.
Source: Transportation Cabinet

RECOMMENDATION

The Task Force recommends that the concept of toll roads in Kentucky be reexamined as viable alternate financing. In light of anticipated federal participation (in toll road construction and maintenance) and the need to accelerate the development of essential highway routes, the Task Force feels that this potential revenue source may again be an acceptable method.

Bond Financing in Kentucky

Monies derived from the issuance of bonds have been an important supplement to the Road Fund. All of the tolls roads that have been built in the Commonwealth were financed with revenue bonds. The usage of this financing method started with issuance of $38.5 million in revenue bonds on July 1, 1954, to construct the Kentucky Turnpike. These bonds were unique to Kentucky, in terms of highway construction usage, in that they were not handled by the Turnpike Authority of Kentucky (which did not exist); and as noted previously, toll receipts supported the debt service requirements.

The 1960 General Assembly passed legislation that created the "Turnpike Authority of Kentucky", which is codified in Chapter 175 of the *Kentucky Revised Statutes*. Considered a special corporation of the Commonwealth, the Turnpike Authority was created for the purposes of the performance of "essential governmental functions and to serve the public purposes of constructing, acquiring, financing and operating turnpike and other road projects for the use, safety, convenience and general welfare of the traveling public".[11] Among the powers granted in this chapter is the authority to "issue turnpike revenue bonds of the authority payable solely from the tolls, revenues, rentals and other funds pledged for their payment, for the purpose of paying all or any part of the cost of any one or more turnpike projects, and to refund any of its bonds".

There have been several Turnpike Authority revenue bond issues. The Mountain Parkway bonds (totaling $40.5 million) were issued July, 1960, and were the beginning of bond activity in the 1960's, which culminated in five bond issues that supported the highway construction on the Mountain (and Mt. Ext.), the Western (and Western Ext.), the Bluegrass, the Purchase, and Pennyrile Parkways. The 1970's brought forth the Resource Recovery Bonds, which were discussed earlier. Bond refundings were done on all of the Turnpike Authority bonds in the 1980's, as well as the introduction of the Economic Development Bonds (1984 and 1990). Table 3 shows the annual revenue that the Transportation Cabinet has received from the Turnpike Authority.

TABLE 3

TURNPIKE AUTHORITY RECEIPTS FISCAL YEARS 1980 THRU 1991 (Million)

Fiscal Year	Amount	Fiscal Year	Amount
1980	133.4	1986	74.6
1981	149.8	1987	131.5
1982	47.2	1988	148.1
1983	48.3	1989	129.1
1984	69.4	1990	50.1
1985	63.9	1991	38.5

Source: Ky. Financial Reports

The monies shown above have been used to construct the parkways in Kentucky, as well as the designated Resource Recovery Roads and Economic Development Roads. It has been a practice of the Turnpike Authority that routes be designated for support by the proceeds of the bond issues, an example being the Economic Development Roads (1984) and the Resource Recovery Roads. The major projects in these two road systems were the AA Highway and KY 80, respectively. Although the authorization for these two bond issues was granted through the enactment of House Bill 969 (1984 Session) and, as previously mentioned, House Bill 676 (1976 Session), routes to be constructed were not indicated in the legislation. Greater specificity was desired by the 1990 General Assembly for the Economic Development Road Revenue Bonds-1990 Series. The legislation (House Bill 929) that authorized the issuance of $600 million in revenue bonds also designated the projects (and the respective costs estimate) on which the monies would be spent and set forth provisions on cost containment.

General Obligation Bonds (G.O.B)

KRS 177.580 was the result of legislation passed in the Extraordinary Session of 1956 and approved by the citizens of the Commonwealth in the November 6, 1956 election. This statute provides a method whereby the Commonwealth of Kentucky may issue bonds that directly obligate the state. General Obligation Bonds were issued January of 1957, July of 1961 and January of 1966, for a combined issuance amount of $264 million. As of June 30, 1990 only $64 million of principal was outstanding (of the 1966 issue).[12] Kentucky Statutes allow for G.O.B. bonds to be used to match federal apportionments to Kentucky from the Federal Highway Administration.

Debt Service (As % of the Road Fund)

Fiscal Year	Percentage	Fiscal Year	Percentage
1980	23.2	1986	37.3
1981	34.8	1987	28.3
1982	35.7	1988	29.1
1983	32.9	1989	27.8
1984	36.3	1990	26.5
1985	38.0	1991	24.9

Federal Highway Administration Revenue

The federal government has been and continues to be an important component in Kentucky's financing scheme for highway projects. Federal monies, which are administered by the Federal Highway Administration (FHWA), are derived from the Federal Highway Trust Fund (FHTF). Each state contributes monies to the FHTF, through the federal imposition of taxes on motor fuels, tires, trucks and trailers, and use taxes. Monies from this trust fund are apportioned to states on a formula basis.

Appalachian Development Highway System (APD)

The Appalachian Development System (APD) is a federally funded grant program, whose objective is to provide highways in the Appalachian Region of the United States (a thirteen-state area), in a effort to catalyze economic development. Roads constructed with these grant monies have to be matched by the state on an 80%-20% (federal-state) basis. Although similar in many ways to the Federal Highway Trust Fund supported programs, the Appalachian Development Highway System program has one significant difference. It does not enjoy the benefits of "Contract Authority". Monies appropriated by Congress to fund the APD program are governed by "Budget Authority", which allows federal governmental

agencies the authorization to commit the federal government to financial obligations for only those monies that have been appropriated.[13] Future funding may be continued, changed, or eliminated at the discretion of Congress.

Alternative Financing

The Task Force to Study Highway Needs, in its quest to facilitate and accelerate the development of the recommended corridors, reviewed Kentucky's present revenue base and financing methods that would be considered new. Following are the financing initiatives discussed and offered by the Task Force as possible methods to implement:

Intergovernmental Agreements—Discussions were held on how various governmental entities could come together to work on projects and on local government participation (with the state) in highway improvement projects. Several criteria could be used to determine the level of such participation by the local government. They include such factors such as the unemployment rate, the per capita income, and property valuation. One specific program mentioned by the Task Force was an "Industrial Access" program to replace the existing one. Presently, the Transportation Cabinet spends approximately $6 million annually on industrial access roads. In order to ease the burden on the Road Fund, thereby freeing monies for other projects, the Task Force has suggested that both the General Fund of the state, and the Road Fund contribute $2.5 million annually and local governments contribute at a level based on the objective criteria. A related topic discussed that involves local governments was the suggestion that the Transportation Cabinet seek prior agreements with the local governments (to take over abandoned roads) when the Cabinet plan to build a new and improved road that replaces the abandoned road. This would eliminate the burden on the Cabinet to fund the maintenance efforts on these abandoned roads, when these roads have been downgraded to locally used roads.

Privatization—Probably the most innovative financing scheme discussed by the Task Force was private financing and/or public/private co-ventures.[14] Examples of private financing discussed were the Dulles Access Road and the Route 28 Project, both of which are in Northern Virginia. The first example (Dulles Access) involves a project that is to be financed, built, and operated by a private corporation. Tolls placed on this road would allow the private corporation to recoup its investment, at which time the road would be turned over to the state. The second example involves the imposition of "impact fees," in the form of a property surtax, to finance the improvement of a major highway (Route 28). Benefits that accrued to the impacted property owners, as explained by representatives from Virginia, were varied, and ranged from simply better access to their property and accelerated improvements to the roads, to long-term agreements with Virginia on favorable zoning. The Route 28 project, at its simplest, involved private financing of a public highway, utilizing the low interest rate and tax exempt status that governmental entities enjoy in their debt issues.

Maintenance Index—This concept is designed to make the motor fuels tax less responsive to inflation and lower fuel consumption. The motor fuels tax rate would react positively in times of inflation and to decreased consumption of fuels. It would utilize the Federal Maintenance Index (FMI), which is published annually in the Federal Highway Administration and Revenue Cabinet data on the number of gallons of motor fuel sold in the state. The basic formula for the determination of motor fuel taxs rate would be as follows: The current year FMI divided by the prior year FMI, multiplied by the quotient of the number of gallons of fuel sold in the prior year divided by the gallons of fuel sold in the current year. This would produce a new adjusted tax rate. The FMI is a barometer of the variances in highway construction costs (materials, labor, maintenance costs, etc.).[15] Table 4, below, illustrates how the Motor Fuels Tax Adjustment formula would impact Kentucky, if it were in use.

TABLE 4

MAINTENANCE INDEX FUEL ADJUSTMENTS TO DETERMINE NEW FUEL TAX RATE

Fiscal Year	1985	1986	1987	1988	1989	1990
Highway Maintenance Index	184.37	193.71	202.53	210.77	219.09	228.23
Gallons of Fuel Sold*	1,747,574	1,803,465	1,847,222	1,891,786	1,846,196	958,030
Tax Rate at FY 1986-87			15¢			
Adjusted Rate			15.27	15.59	15.84	16.87
Add'l Revenue to the Road Fund			$5,084,676	$11,935,073	$18,699,459	$41,999,963

*Used Gallons Taxed
Source of Data: Federal Highway Administration

TABLE 5

INCREMENTAL VALUES

Revenue	5-yr. Average	Tax Rate	Incremental Unit	Unit $Equiv.$
Motor Fuels Tax	225,353,020	10¢ per gal.	1¢	22,535,302
Supp. Motor Fuels Tax	112,676,500	5¢ per gal.	1¢	22,535,300
Motor Fuels Use Tax	18,431,780	12¢ per gal.	1¢	1,535,982
Heavy Motor Veh. Use Tax	5,633,520	2¢ per gal.	1¢	2,816,760
Motor Vehicle Usage Tax	223,491,800	6% sales tax	1%	37,248,633
Weight Distance Tax	44,920,920	2.85 per mile	1¢	15,761,726
Weight Distance Surtax	16,287,533	1.15 per mile	1¢	5,714,924
Truck Decal	0			
Truck License Tags	17,153,280	$11.50-$1,260	10% Across Board	1,715,328
Coal Severance Tax	0	$41 million	N/A	41,000,000
Car Registration	22,866,660	$11.50 each	$1	1,988,405
Other Road Fund Taxes	95,354,020	No change	N/A	N/A
Total Revenue	**$782,169,033**			

Using the factors noted in Table 4 above and applying them to Kentucky's gasoline gallonage taxed (from FY 1984-85 through FY 1989-90), it is apparent that receipts would have been greater if this formula had been in place.

In addition to previously mentioned discussions on highway financing, the Task Force was interested in determining the incremental value of major road fund receipts.

Table 5 shows the logical increments of the major Road Fund revenue sources and the respective values of those increments. The methodology used to arrive at the incremental values is as follows: An average annual revenue level was established for individual Road Fund tax sources. This average is based on two years of actual revenue performance (FY 1989-90 and FY 1990-91) and three years of estimated receipts (FY 1991-92, FY 1992-93, and FY 1993-94). Revenue estimates for the three respective fiscal years represent the Executive

Branch's "Preliminary Revenue Estimates", pursuant to KRS 48.120. These five years, if the estimates hold, represent consistent and level growth over the period noted. Current tax rates for the respective Road Fund sources were divided into the five years average, to arrive at a logical incremental unit and its monetary value. The motor fuels tax's and the supplemental motor fuels tax's incremental unit is shown above for display purposes only. The estimated impact of an effective gas tax increase of one cent per gallon is $22.5 million. The Secretary of Transportation stated that the six-year Road Plan (from 1993—1998) will be balanced, based on several Revenue assumptions. They are as follows:

1. The continuation of the Weight-Distance Surtax (projected to be $128 million over the six years);
2. Release and use of the Debt Acceleration Fund monies and the suspension of future statutory appropriations over the six years (approximately $84 million); and
3. The use of Coal Severance Tax Receipts to pay Resource Recovery Road Bonds (approximately $270 million).

These assumptions, if met by action of the Kentucky General Assembly, would add approximately $482 million to the Road Fund over the six years.

Fiscal Analysis of the Task Force's Recommendation

Twenty-two corridors were identified by the Task Force as needing new or improved highways built through them. Additionally, the Transportation Cabinet indicated that other major arteries would need upgrading, as a result of the recommended improvements by the Task Force. Estimates were received from the Transportation Cabinet on the costs of both the recommended corridors and the impacted major arteries. Cost estimates are as follows:

Table 6 breaks down the estimated cost of the highway improvements by planning category and by improvements to the Transportation Cabinet-recommended arteries and the Task Force-recommended corridors.

Estimated Cost of Projects

Acceleration of the execution of the Task Force's recommendations would involve the infusion of additional monies. The Six-Year Plan calls for the average annual expenditure on Task Force recommended projects and the

TABLE 6

Type	Six Year	Long Range	Unprog.'d	Total
Major Corridors	$ 659,400,000	$ 426,000,000	$1,145,000,000	$ 2,230,400,000
Rec. Corridors	903,884,000	2,667,725,000	5,384,911,000	8,956,520,000
Total	**$1,563,284,000**	**$3,093,725,000**	**$6,529,911,000**	**$11,186,920,000**

Source: Transportation Cabinet

TABLE 7

	10-Years	20-Years	30-Years	43 Years
Costs	$1,118,692,000	$559,346,000	$372,897,300	$260,000,000
Current Cabinet Contribution	260,000,000	260,000,000	260,000,000	
Additional Needed	$ 858,692,000	$299,346,000	$112,897,300	$260,000,000

major corridors to be approximately $260 million. It would take 43 years if the infusion of $257.5 million were continued until all recommended corridors were completed. Table 7 illustrates possible revenue requirements for the acceleration of projects based on the different time spans. It also shows additional monies necessary if the Cabinet continues to expend $260 million annually on these projects.

Summary of Recommendations

Receipts that presently flow into the Road Fund will not, at the present rates, be able to address the needs noted above in the foreseeable future. The Task Force, recognizing this fact, has offered suggestions of alternative financing that, if implemented, could address these needs in some practical framework. Following, in summary, are financing methods offered as suggestions on how to address the highways needs noted by the Task Force.

- Any decision to return additional revenues generated from the Coal Severance Tax to the coal-producing counties should include provisions to utilize part or all of those monies on the recommended highway needs of those counties.
- Toll Roads, as a funding mechanism, should be considered a viable alternative in the financing decisions on all of the recommended needs, if supplemented by federal participation.
- Where projects targeted within the identified corridors are eligible for federal aid, the Transportation Cabinet should make every effort to give these projects priority funding. This approach would allow the freed state monies to be used to accelerate the completion of the identified corridors.
- Intergovernmental agreements where two or more governmental entities jointly participate in bringing the projects to fruition should be encouraged.
- Privatization, as a means of accelerating the completion of projects, should be explored and encouraged, where practical.
- The Maintenance Index concept of adjusting motor fuel tax rates should be reviewed further by the Revenue and Transportation Cabinets, to determine its fiscal impact on the Road Fund.
- Monies should be appropriated to address the Task Force recommendations.

The Task Force has reviewed current financing schemes in place in Kentucky and the revenue sources that support those initiatives. New methods, as noted above, have also been explored. Suggestions and recommendations brought forth through the deliberative process followed by the Task Force could help them to become a reality.

FOOTNOTES

[1] Kentucky Financial Report.

[2] Revenue Cabinet's *Summary of Ky. Motor Fuels Normal Quarterly Average Wholesale Price and Tax Rate*, Nov. 1991.

[3] *Analysis of the Ethanol Industry in Kentucky*—presented 2/1/88 to LRC BR Subcommittee on Transportation.

[4] Kentucky Financial Report.

[5] Kentucky Financial Report.

[6] Kentucky Financial Report.

[7] FHWA's *Highway Taxes and Fees, How They are Collected and Distributed*, 1991—Table S-106.

[8] Transportation Cabinet Secretary's Order No. 81605, 4-11-75.

[9] Transportation Cabinet, as received in December 1984.

[10] The Road Information Program's, *1991 State Highway Funding Methods*, May 1991.

[11] KRS 175.425.

[12] Kentucky Financial Report.

[13] FHWA's *Financing Federal-Aid Highways*, November 1987, p. 48.

[14] Presentation to Financing Subcommittee, September, 1991.

[15] FHWA's *Price Trends for Federal-Aid Highway Construction* (1st Quarter 1991).

CHAPTER VI
SUMMARY OF FINDINGS AND RECOMMENDATIONS

Corridors

(1) The Task Force recommends that the corridors system discussed in Chapter III be initially designed to four-lane standards to provide each region of the Commonwealth with optimal highway accessibility.

(2) The General Assembly should ensure that a set amount of road fund dollars be set aside in each fiscal year exclusively for the development of the corridor system.

(3) Any highway project which is not included in the strategic corridor system should be constructed as it takes its proper place in the biennial highway construction plan.

(4) The 1991-1996 six-year highway construction plan should be the starting point for all six-year plans submitted in the future.

(5) The Department of Highways list of unscheduled needs, in the majority of instances, should adequately establish the projects in each community, according to testimony of the local elected officials.

(6) The backbone and rib highway system and the 2010 corridor plan, as submitted by the Department of Highways, is appreciated by the Task Force and we suggest that those projects which are not considered part of the Task Force proposal should take their proper place in the six-year plan.

Transportation Policy

(1) The Task Force urges the General Assembly to ensure that the Department of Highways follows the biennial construction plan and gives priority status to projects mentioned in the six-year plan in subsequent bienniums.

(2) The Task Force urges that laws relating to the highway construction plan require the Department of Highways to promptly report any deviation from to the biennial construction plan and that the Department of Highways be responsible for reporting its activities in comparison to the biennial construction plan.

(3) The Task Force recommends that BR 482 be adopted, to ensure that local officials have proper input for the highway construction concerns for their area.

(4) The General Assembly should adopt BR 922, to provide a statutory means for the fiscal court to exercise some accountability over county roads being improved with rural secondary funds.

(5) The Task Force recommends that a uniform database system using geographic information software be developed by the legislative and executive branches to provide for the accurate dissemination and exchange of information between agencies.

Intermodal Transportation

(1) The Task Force expresses its concern that insufficient attention is being paid to intermodal transportation concerns and expresses its conclusion that the planning function for non-highway modes should be expanded.

(2) Recognizing the importance of air transportation to economic improvements, the Task Force suggests that jet fuel tax receipts be set aside for the purpose of meeting the needs of the state airport development and aviation programs.

(3) The legislative and executive branches need to explore all opportunities to secure funding for initiation of AMTRAK service in Kentucky.

(4) The Task Force suggests that an investigation of the feasibility of a rapid rail system begin immediately.

Financing

(1) The Task Force established a cost estimate of $11.1 billion for the construction of the corridor system, as established in Chapter III.

(2) The Task Force suggests that industrial access highway projects be funded with general fund and road fund dollars. In addition, a policy needs to be established which would require that local government participate in the funding of these industrial access highway projects, in accordance with their ability to pay.

(3) The Department of Highways needs to develop a formal policy on its requirements for local participation in highway construction projects, to ensure that local jurisdictions with diverse tax bases are not accelerating projects at the expense of jurisdictions with more limited financial resources.

(4) The Department of Highways should give funding priority to matching federal funds, repayment of debt service, funding statutory programs, maintenance of the exist-

ing system and development of the corridor system, as defined by this Task Force report.

(5) Any decision to return additional revenues generated from the coal severance tax to the coal-producing counties should include provisions to utilize part or all of those monies on the recommended highway needs of those counties.

(6) Toll roads, as a funding mechanism, should be considered a viable alternative in financing all of the recommended needs, if supplemented by federal participation.

(7) Where projects targeted within the identified corridors are eligible for federal aid, the Transportation Cabinet should make every effort to give these projects priority funding. This approach would allow the freed state monies to be used to accelerate the completion of the identified corridors.

(8) Intergovernmental agreements, where two or more governmental entities jointly participate in bringing projects to fruition, should be encouraged.

(9) Privatization, as a means to accelerate the completion of projects, should be explored and encouraged, where practical.

(10) The Maintenance Index concept of adjusting motor fuel tax rates should be reviewed further by the Revenue and Transportation Cabinets to determine its fiscal impact on the Road Fund.

(11) The legislature should fund the implementation of the Task Force's recommendations.

Miscellaneous Concerns

(1) The Task Force discussed the concept of a commission as the form of administration for the Transportation Cabinet, but took no action on this proposal.

(2) The Task Force received testimony that the Department of Highways should provide a greater time period between the request for bids and opening of bids on state highway projects.

(3) The Task Force heard of situations where local officials constructed industrial, educational, recreational or other facilities with the expectation that the Department of Highways had an obligation to provide adequate access, even though the Department had not been consulted beforehand.

Appendix I

HIGHWAY CORRIDORS IDENTIFIED BY HIGHWAY NEEDS TASK FORCE

ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED	TOTAL	GRAND TOTAL
US 119						
S. WILLIAMSON TO PIKEVILLE	31	$94,900,000	$97,000,000	$0	$191,900,000	
PINEVILLE TO WHITESBURG	80	$95,300,000	$229,000,000	$194,580,000	$518,880,000	
WHITESBURG TO JENKINS	12	$0	$0	$72,000,000	$72,000,000	$782,780,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
US 460						
PIKEVILLE TO VA. STATE LINE	24	$500,000	$150,000,000	$0	$150,500,000	$150,500,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
MOUNTAIN PARKWAY/KY 114						
CAMPTON TO PRESTONSBURG	55	$0	$0	$350,000,000	$350,000,000	$350,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 15						
CAMPTON TO JACKSON	20	$0	$120,000,000	$0	$120,000,000	
JACKSON TO HAZARD	29	$81,700,000	$122,000,000	$0	$203,700,000	
HAZARD TO WHITESBURG	31	$0	$0	$150,000,000	$150,000,000	$473,700,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 7						
GRAYSON TO SALYERSVILLE	65	$13,600,000	$330,000,000	$205,200,000	$548,800,000	$548,800,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 11						
SLADE TO MANCHESTER	67	$0	$40,000,000	$312,000,000	$352,000,000	$352,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
US 421						
OHIO RIVER TO I-71	21	$2,000,000	$120,300,000	$73,380,000	$195,680,000	
RICHMOND TO MANCHESTER	63	$9,400,000	$0	$405,640,000	$415,040,000	
HYDEN TO VIRGINA STATE LINE	50	$51,000,000	$195,000,000	$147,600,000	$393,600,000	$1,004,320,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
DANIEL BOONE PARKWAY	54	$0	$0	$350,000,000	$350,000,000	$350,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 150						
STANFORD TO MT. VERNON	25	$18,200,000	$42,400,000	$64,400,000	$125,000,000	$125,000,000

ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 80						
BERNSTADT TO SHOPVILLE	15	$0	$0	$77,000,000	$77,000,000	$77,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 92						
WILLIAMSBURG TO MONTICELLO	54	$0	$90,500,000	$270,300,000	$360,800,000	$360,800,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 90/KY 61						
BURNSIDE TO GLASGOW	88	$0	$180,000,000	$252,000,000	$432,000,000	
BURKSVILLE TO TENN. ST. LINE	13	$0	$0	$64,000,000	$64,000,000	$496,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
US-68						
MAYSVILLE TO LEXINGTON	66	$109,400,000	$36,000,000	$160,600,000	$306,000,000	
LEXINGTON TO EDMONTON	125	$28,900,000	$168,900,000	$427,200,000	$625,000,000	$931,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
US 231						
BOWLING GREEN TO SCOTTSVILLE	21	$11,300,000	$65,000,000	$45,780,000	$122,080,000	$122,080,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
US 60						
WICKCLIFFE TO PADUCAH	28	$36,000,000	$80,000,000	$0	$116,000,000	
PADUCAH TO HENDERSON	94	$11,100,000	$225,000,000	$139,900,000	$376,000,000	
HENDERSON TO HAWESVILLE	55	$43,400,000	$29,000,000	$50,000,000	$122,400,000	
HAWESVILLE TO MULDRAUGH	58	$52,200,000	$0	$187,800,000	$240,000,000	$854,400,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
US 51						
FULTON TO WICKCLIFFE	45	$10,400,000	$120,000,000	$49,600,000	$180,000,000	$180,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
US 68/KY 80						
BOWLING GREEN TO CADIZ	81	$200,000,000	$0	$0	$200,000,000	
CADIZ TO HARDIN	28	$16,400,000	$181,500,000	$118,740,000	$316,640,000	
HARDIN TO MAYFIELD	20	$0	$0	$128,000,000	$128,000,000	$644,640,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 121						
MAYFIELD TO WICKCLIFFE	30	$0	$0	$192,000,000	$192,000,000	$192,000,000

ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
KY 32 MOREHEAD TO FLEMINGSBURG	24	$0	$0	$97,500,000	$97,500,000	$97,500,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
NEW ROUTE FLEMINGSBURG TO CORINTH	45	$0	$0	$200,000,000	$200,000,000	$200,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
US-431 OWENSBORO TO TENN. ST. LINE	79	$18,184,000	$46,125,000	$255,691,000	$320,000,000	$320,000,000
ROUTE	MILES	SIX YEAR	LONG RANGE	UNPROGRAMMED		
AA HIGHWAY						
I-275 TO QUINCY	72	$0	$0	$180,000,000	$180,000,000	
QUINCY TO GREENUP	16	$0	$0	$64,000,000	$64,000,000	
VANCEBURG TO GRAYSON	25	$0	$0	$100,000,000	$100,000,000	$344,000,000

East to West Corridors

Interstate 64
Mountain Parkway from I-64 to Campton
Bluegrass Parkway
Western Kentucky Parkway
Cumberland Parkway
Interstate 24
Audubon Parkway

North to South Corridors

Interstate 75
Interstate 65
Green River Parkway
Pennyrile Parkway
Interstate 71

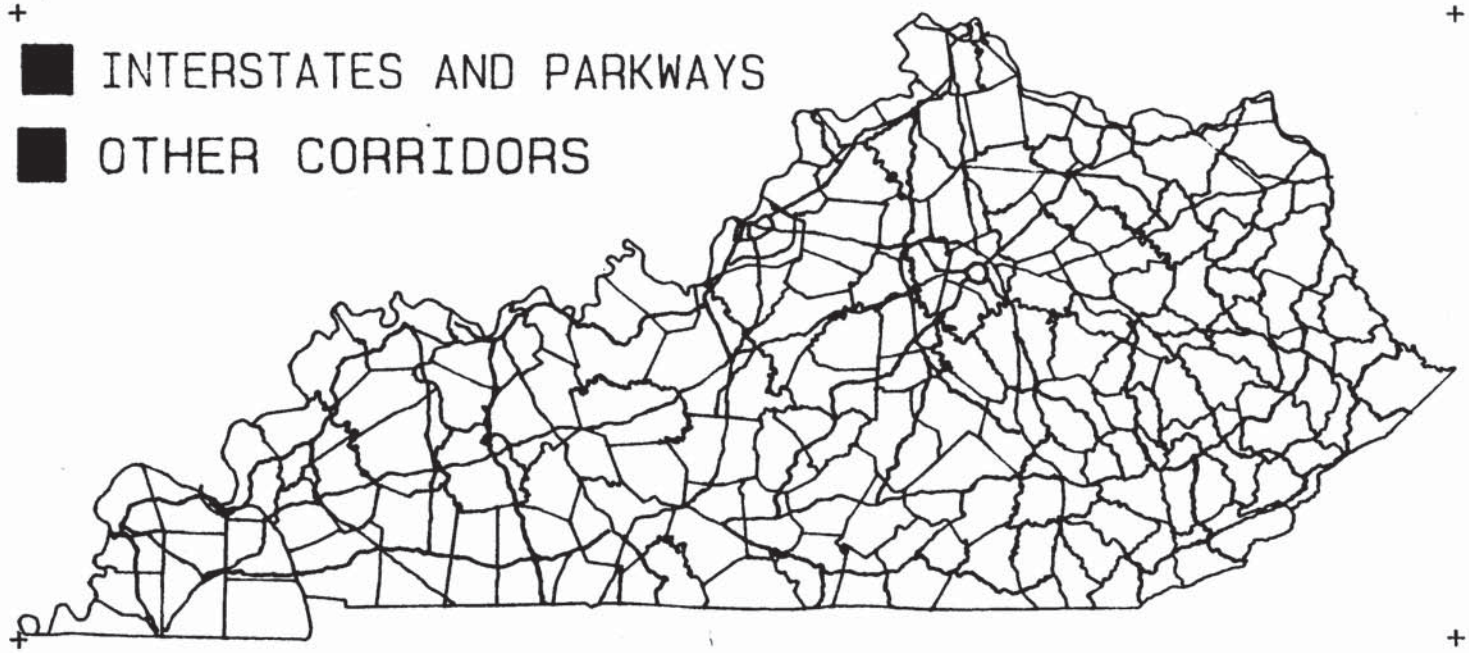
Circumferential Corridors

Interstate 265
Interstate 275
KY 922, KY 4, US 25

					$8,956,520,000	$8,956,520,000
NEEDS ON OTHER CORRIDORS		$659,400,000	$426,000,000	$1,145,000,000	$2,230,400,000	
	TOTAL	$1,563,284,000	$3,093,725,000	$6,529,911,000	$11,186,920,000	

Appendix II

Map of Recommended Kentucky Highway Corridor System



TASK FORCE TO STUDY HIGHWAY NEEDS

Recommended Highway Corridor System

X MIN = 269842, Y MIN = 4039397, X MAX = 944938, Y MAX = 4335350

GIS - LRC

SCALE: 1 : 3,573,449

DATE: 02/25/92

DRAWN BY: V16


1792
the Celebration
1992
Kentucky