

Ohio picks KPMG to direct study on leveraging Ohio Turnpike

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BEREA, Ohio -- A nationally known audit and financial services firm will help state officials decide how best to pull lots of cash out of the **Ohio Turnpike**.

KPMG LLP, based in New York, **will lead a team of financial, legal and communication consultants** (pdf) that will recommend by next summer how to leverage the turnpike's toll revenue, state officials announced Tuesday.

Options include leasing the turnpike, which Gov. John Kasich favors; bringing it under the control of the Ohio Department of Transportation; leaving the toll road alone; or some other choice.

The northern Ohio highway generates about \$250 million a year, mostly in tolls.

The turnpike keeps all its money for operations, debt service and improvements. The toll road is owned by the state but operates independently of state government.

That could change with a vote of the state legislature.

Kasich has said he'd like to generate several billion dollars in up-front cash by leasing the turnpike long term, eyeing what Indiana has done.

That money could be used for sorely need transportation projects, mostly in northern Ohio, the governor and ODOT Director Jerry Wray have said.

The cost of repairing and expanding state highways is outpacing state and federal funds, Wray said in a news release.

The turnpike "is a hugely valuable untapped asset," Wray said. "There are different ways that it could be leveraged to generate needed funds, so our highways can keep supporting job creation and economic growth."

Once it strikes a contract with the state, KPMG would have until July 1 to make recommendations.

KPMG's duties would include evaluating the condition of the turnpike; analyzing the cost and benefit of different options, including the impact on tolls, road maintenance and nearby highways; and, if warranted, helping the state craft a bid for a private operator.

The state legislature must approve any such bid before it is issued.

Leasing the turnpike is a lightning rod. Turnpike supporters said the road is well managed and believe a lease will lead to higher tolls and diminished upkeep.

Democratic members of Congress in Ohio complained last month that Ohio was wrongly using \$1.5 million in federal dollars to study privatizing a public asset.

Federal transportation officials at first revoked the money. But, after Republican members of Congress from Ohio complained, federal officials asked the state to resubmit its application and reinstated the money.