

Aug. 1, 2022

UPDATED  
Memorandum                      EOP

Re:                                      Background for July 28, 2022 Meeting  
Ohio US 30 Project

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**Background: Strategic Infrastructure Performance Institute**

The Strategic Infrastructure Performance Institute is a nonprofit corporation whose central three tenets are that:

1. Infrastructure entails all of the foundational systems and networks that enable people and communities to maintain quality of life, and is not limited to roads, bridges, and rail;
2. Infrastructure must be a *Public Good* that fairly apportions its benefits among those that support it, and;
3. Infrastructure must be levered with private sector long-term funding, especially given that the life-cycle costs of a project are 9X the projects' initial capital expenditure.

The Institute's Founder, Norman Anderson (late), spent several decades developing a philosophy of infrastructure design and development which is outlined in his book *Vision: Our Strategic Infrastructure Roadmap Forward*. In Norman's view, our governmental structures for infrastructure funding and development are still predicated on the 1950's limited view of what infrastructure is (thus, still focused on roads, streets and bridges). As a result, governmental programs may be siloed to the extent that it is difficult to take into account the broad societal benefits that properly formulated infrastructure should provide and, further, to realize the potential for private sector participation that those benefits can attract.

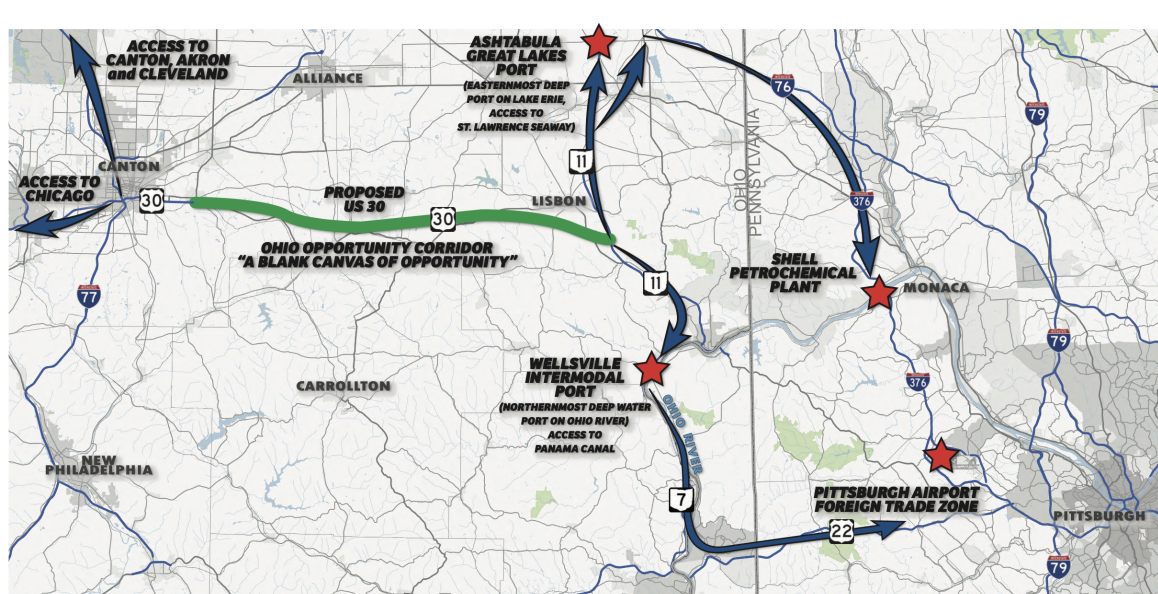
These dynamics are particularly evident in projects such as the U.S. Route 30 Project in rural Ohio, where the project - if developed within traditional DOT financing structures - would focus almost entirely on vehicular transportation. Though it will provide real advantages to the urban centers it connects, it is questionable whether the rural communities through which the highway will pass will derive maximum economic and social benefits. In fact, prior experience suggests that interstate highways can drain vitality from rural communities and exacerbate the urban/rural conflict that is such a factor in our current national dialog.

To address these problems, Senator Kirk Schuring (OH District 29) worked with Mr. Anderson's team at The Institute to develop the *Opportunity Corridor* concept, which broadens the scope of the project plan, design and development effort, making the "pass through" communities more equal participants and utilizes the multi-purpose functions of a properly planned corridor to bring in private sector financing and performance capabilities. As noted below, this approach both minimizes public costs and maximizes public benefits. **It is fully consistent with the Administration's announced policies but requires policy leadership and a non-siloed, holistic approach to demonstrate its feasibility.**

### Ohio Opportunity Corridor Project

RTIP, the *Regional Transportation Improvement Project*, is a special purpose entity established by Ohio Law. It is empowered to exercise broad authority to implement a unique project development concept which captures the very substantial values created by highways and highway rights of way to fund the local share of construction and improvements, generate increased value for adjacent property which can be equitably apportioned among the participating owners and also creates continuing revenues and benefits for the adjacent communities.

The Ohio Opportunity Corridor Project is designed to provide connectivity between Ohio points west of the City of Canton and the Pittsburgh Metropolitan Region, which is slightly over eighty miles from Canton. This is a phased project to attract private capital while de-risking the public funds and involves distinct processes for acquiring and developing rights of way of for the first thirty miles of Ohio US 30,<sup>1</sup> The expansion to a four lane Ohio Opportunity Corridor is relatively straightforward. It intersects with Ohio State Route 11 and accordingly connects to other four lane highways that lead into metropolitan Pittsburgh (see Ohio Opportunity Corridor map below). To a considerable extent, the viability of an Opportunity Corridor is dependent on the project's capacity to provide connectivity between major cities.



Outreach to the financial community has confirmed that successful application of the Opportunity Zone Concept to a corridor along US 30 connecting Canton and Ohio points west of Canton, with the Greater Pittsburgh area, can generate hundreds of millions in increased land value. It can also enable right of way leases for high speed internet connectivity that will service advanced manufacturing and also provide valuable internet availability to an underserved part of Ohio. Additionally, the right of way leases will facilitate telecommunications cables and towers as well as support for autonomous vehicles and other cutting edge transportation technology.

<sup>1</sup> An initial 3+ miles within the city of Canton and a planned upgrade to a 25+ mile stretch of US 30 which is now two lane highway

The prospects for these revenues can finance the local share of highway improvements and generate long term revenues for project supporters. The eight material funding streams identified in the US 30 capital stack include:

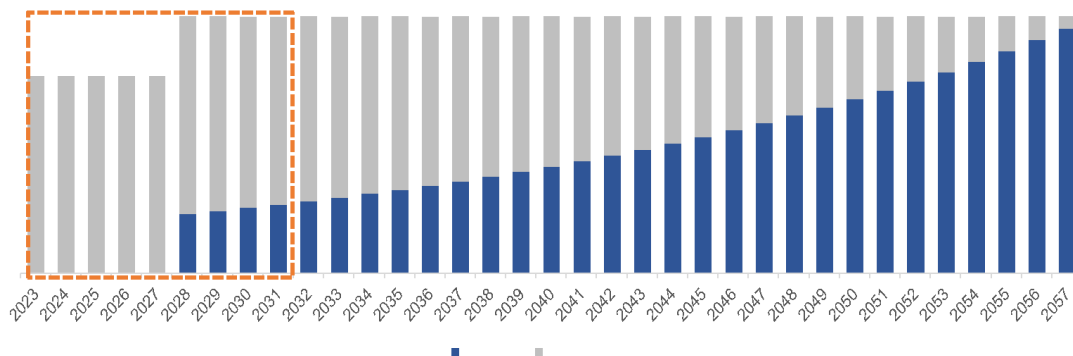
- Fiber Optic Development
- Real Estate
- Data Sales & 5G Towers
- Dedicated Electric Vehicle Lanes
- Express/Managed Lanes
- Service Stations
- Digital Billboards
- Water & Other Utility Services

As noted above, the Ohio Opportunity Corridor Development Concept uses the intrinsic value of the *Corridor* created by a highway and its adjacent rights of way, not only to assist in funding construction and improvements, but also to create continuing value for the communities through which it travels.

The *Concept* is predicated on recognition that:

- The economies of this century will require the capability to transmit enormous quantities of digital information as well as water, gasses and other products between the points which highways connect.
- New technologies will require new innovations in the highways themselves to support the vehicles and uses of the future.
- There will be intense new demands from the industries which will seek to advance the technologies of the future and these new demands will create enormous new value.

The Stark, Columbiana, Carroll County extension between Canton and Ohio points west of Canton to the Pittsburgh area will complete an Opportunity Corridor and will capture the value of this connectivity through long term leases to private sector investors authorizing specified uses of the rights of way. As shown in the foregoing table, the fees and revenue streams from these leases will be sufficient, not only to fund at least the local share and likely a very substantial percentage of the cost of highway construction and improvement, while also providing a continuing source of revenue for the communities through which the highways pass.



**This approach will convert a highway from a purely linear structure, which aids transportation but has often negative impacts on the areas it traverses, to an engine that promotes fair and appropriately planned development and amenities in the adjacent communities and facilitates minimization of the environmental impacts of needed transmission systems.** This kind of result should be particularly appealing in the case of counties throughout Appalachia which have been adversely impacted by energy transitions and are economically dis-advantaged.

RTIP is working with The Strategic Infrastructure Performance Institute to address and deal with the strategic, practical, and legal issues involved in implementing this project.

We expect the result to be a model for a new and novel approach which can serve as a model for modernizing highway infrastructure which will create important community benefits for energy impacted communities throughout Appalachia and elsewhere.

### The Impediments

There are, however, impediments, and the impediments are largely the silos in which U.S. infrastructure continues to be constricted.

As mentioned above, the financial community is ready to fund a substantial portion of the RTIP project if we can assure connectivity between Canton and Pittsburgh. Since DOT will fund this project in segments, it will be difficult to assure connectivity at an appropriate stage in the process and private funding will be impeded.

Similarly, we will maximize private contributions and minimize public costs if, early in the process, we have a financeable plan for development of the rights of way. FHWA and ODOT appear heavily committed to financing of construction only – no planning, no institution building, no outreach to the financial community.

RTIP has obtained an \$18 million 2019 BUILD GRANT for the US 30 project but strictures are being imposed on the use of the funds such that they can only be used for construction and cannot fund either planned development, institution building or local share.<sup>2</sup> The 2019 BUILD GRANT will expire on Sept. 30, 2022. As a result, the grant could expire before it can be used.

### The Ask:

What is needed from the Administration is support for this innovative concept to reduce public costs and increase public benefits.

We need help in breaking the silos that prevent project planning and assurance of connectivity, recognizing that this is not a project that falls strictly under the purview of the USDOT.

We need help in extending the BUILD GRANT and providing more flexibility regarding permissible fund uses. Thank you for your time. We look forward to meeting with you!

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<sup>2</sup> As noted above, rural communities like the RTIP communities often must strain to see the benefits of the interstates that pass through them and, in this context, the search for local share can be difficult