

ONE to ONE

An Update on the Efforts of the LA 1 Coalition

Summer 2005

www.LA1Coalition.org • e-mail: info@LA1Coalition.org

History in the Making

It was a monumental spring and summer for the LA 1 Coalition as we celebrated the receipt of significant highway construction funds from a new federal loan, bond sales, and the federal transportation and energy bills. But these achievements were accompanied by a challenging surprise. After receiving Phase I construction bids nearly \$100 million over budget, state transportation officials are now working diligently to modify project specifications in an effort to reduce actual construction costs and re-bid the project. See inside for complete details on these and other news stories from the LA 1 Coalition.



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LA 1 Chairman Ted Falgout (right) and Governor Kathleen Blanco accompany U.S. Transportation Secretary Norman Mineta (seated) during the May 19 TIFIA loan signing at Port Fourchon. See story page 2.

Historic TIFIA Loan Provides \$66 Million For Highway Construction



Officials review LA 1 project plans at the TIFIA loan ceremony.

U.S. Transportation Secretary Norman Mineta and Louisiana Governor Kathleen Blanco traveled to Port Fourchon on May 19 to approve a historic \$66 million federal loan dedicated to the construction of phase one of the LA 1 Improvement Project.

This first phase includes the construction of a two-lane fixed-level bridge at Leeville and a two-lane elevated highway from Leeville to the port, estimated to cost approximately \$150 million. It is part of a larger plan to upgrade LA 1 from U.S. 90 to Grand Isle, and will be funded by the the federal loan proceeds, \$95 million in revenue bonds and a mixture of state and federal appropriations.

"It is clear that a two-lane road that floods even at the sight of rain is no longer adequate to serve this important port," said Mineta before putting his signature on the Transportation Infrastructure Finance Innovation Act (TIFIA) loan agreement.

"The importance of LA 1 to the economies of Louisiana and our nation makes it a prime candidate for a TIFIA loan," he added.

As the roadway's vulnerability to flooding during high tide events and tropical weather increases, the LA 1 highway improvement plan becomes even more critically significant, a point recognized by Governor Blanco.

"The importance of LA 1 to the economies of Louisiana and our nation makes it a prime candidate for a TIFIA loan."

- U.S. Transportation Secretary Norman Mineta

"This is not just a road to Leeville," she said. "It is a road to public safety, energy security and economic vitality for our people."

The TIFIA loan is a first for the state of Louisiana, and the LA 1 project is also a first for the Louisiana Transportation Authority, which has authorized tolls to be collected from traffic traveling south on the new Leeville bridge to repay the federal loan and private bonds.

"This is a remarkable event and it solidifies the future of Lafourche Parish," remarked Lafourche Parish President Charlotte Randolph at the loan signing. "It will sustain the oil and gas industry that supports Lafourche Parish."

LA 1 Construction Bonds Are a Hit on Wall Street

Just days after a federal loan was officially awarded in May, private investors on Wall Street did their part to fund the first phase of the LA 1 Improvement Plan, scooping up bonds issued for the project's construction. The May 24 bond sale garnered \$95 million, which will be combined with \$66 million from the state's first ever TIFIA loan to fund a new fixed-level bridge at Leeville and an elevated two-lane highway from Leeville to Port Fourchon.

State lawmakers were quick to commend the LA 1 Coalition, the Greater Lafourche Port Commission, and local and state leaders for the project's financing success.

"I think we've set a model of how we can fund projects around the state," commented Rep. Loulan Pitre, who traveled to New York City for the bond pricing.

The latest project milestones follow a string of significant accomplishments achieved by the LA 1 Project Team. In 2001, LA 1 was designated by Congress as a High-Priority Corridor, one of only 44 such highways in the country. The project's EIS Record of Decision was signed in 2003, years ahead of the national average, and a national organization of state highway officials presented the team with its President's Award for Environment in 2004.

THE PRICE IS NOT RIGHT

Transportation Officials Will Rebid Project

With over \$160 million in financing available and construction on phase one of the LA 1 Improvement Project set to start in the fall, state Department of Transportation and Development (DOTD) and LA 1 Coalition officials were disheartened to open construction bids on June 29 only to learn that the lowest bid was nearly \$100 million over estimated project costs.

Within hours, however, their disappointment turned to determination as the LA 1 Project Team began its work to refine project specifications in order to keep the construction schedule moving.

According to LA 1 Coalition Executive Director Roy Francis, the Coalition is working closely with DOTD staff to modify requirements such as pile size and construction completion dates in order to rein in the project cost. Completion of the new Leeville Bridge and elevated highway to Port Fourchon was originally anticipated for the summer of 2008. Extending that rigorous schedule should reduce overtime costs and allow more construction firms to bid on the project, Francis says.

DOTD hopes to advertise for new bids on the revised project specifications by the end of the year. "One to One" will keep you posted on their progress.





Chairman's Report

-by Ted Falgout, Executive Director, Greater Lafourche Port Commission

Even the Greatest Progress Comes With Surprises

The story of the LA 1 Coalition and the LA 1 Highway Improvement Project has continually been marked by historic accomplishments, and this spring and summer have perhaps been the most history-making of all.

To start things off, we witnessed a first for Louisiana on May 19 at Port Fourchon as U.S. Secretary of Transportation Norman Mineta and Governor Kathleen Blanco signed a TIFIA loan agreement providing \$66 million for phase one of our project. We commend state leaders like Department of Transportation and Development (DOTD) Secretary Johnny Bradberry, Louisiana Treasurer John Kennedy, Commissioner of Administration Jerry Luke LeBlanc, Sen. Reggie Dupre, Rep. Loulan Pitre and the entire LA 1 Project Team who believed in the importance of the LA 1 project and worked tirelessly to submit the history-

making loan application.

Funding success continued to pour in during May as private investors bought up about \$95 million in bonds issued for phase one construction, solidifying funding sources for the estimated \$150 construction of a new Leeville Bridge and

“The LA 1 Coalition remains firmly committed to timely construction of this critical highway corridor.”

elevated highway from the bridge to the port. More great news came in from Washington just before the Congressional Labor Day recess. The Transportation Bill emerged with an additional \$60 million for the project, one of the largest allocations in Louisiana, and the signed Energy Bill includes a Coastal Impact Assistance component.

But with great progress also comes surprises, the greatest of which was learning that bids on project construction were nearly \$100 million over estimates. The Coalition and DOTD project team are now working together to modify project specifications for re-bids in hopes of bringing actual costs in line with estimates. We have long believed that phase one could be built in a three-year period, and while cost considerations may require that time to be lengthened, the LA 1 Coalition remains firmly committed to timely construction of this critical highway corridor.

From the privately-funded EIS completed years ahead of schedule and High-Priority Corridor designation from Congress, to the AASHTO award and Louisiana's first-ever TIFIA loan, the LA 1 project has surpassed expectations. **Your support has made it all possible. Thank you!**

LA 1 Gets Big Nod in Federal Transportation Bill

President George W. Bush signed the \$286 billion federal Transportation Bill on August 9, allocating \$60 million to the LA 1 Improvement Project. It's one of the largest allocations for any project in Louisiana.

“We have worked closely with our Congressional delegation to educate members of Congress on the significant role LA 1 plays in the nation's energy supply and the critical need for a new highway,” explained LA 1 Coalition Executive Director Roy Francis. “This latest earmark—our largest to date in any enacted

federal legislation—is a credit to the fine leadership we have in Washington. We thank Senator Mary Landrieu, Senator David Vitter, Congressman Charlie Melancon and all of our members for their commitment and unwavering support.”

Francis says the \$60 million Transportation Bill appropriation will most likely be applied toward Phase 2 of the LA 1 project, construction of an elevated highway between Golden Meadow and the new Leeville Bridge.

We Got the Money, Honey!

LA 1 Coalition members celebrated the organization's success on June 30 at Charlotte Bollinger's barn.



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THANK YOU! If you have any
comments or suggestions about any item in the
newsletter, please call us at (985) 448-4485.

***Coalition Launches www.buildla.com
to Attract Bidders***

To out-of-state contracting firms who have never visited this region, the LA I project area may seem like an out-of-the-way location with little to provide contractors in the way of utilities, water supply, infrastructure and manpower. But those of us who live here know that local government and businesses are ready and willing to provide the necessary support services to help contractors complete the LA I Improvement Project.

In an effort to demonstrate to interested bidders all that this region has to offer, from catering services and rental equipment to employee housing and schools, the LA I Coalition and the Chamber of Lafourche and the Bayou Region have launched a new web site, buildla.com. At buildla.com, visitors will find lists of various businesses and government offices in the region that could prove essential in supporting highway construction activities.

"We are hopeful that this new communication tool will encourage a greater number of bids once the revised construction specifications are released later this year," explains LA I Coalition Executive Director Roy Francis.

For Your Information...

If you would like to receive additional copies of "One to One" or more information on the LA 1 Coalition, call Roy Francis, Executive Director, at (985) 448-4485 or write to us at P.O. Box 2048-NSU, Thibodaux, LA 70310.

Our office is located on the campus of Nicholls State University in Thibodaux, LA, within the offices of the South Louisiana Economic Council.

The LA 1 Coalition is a non-profit 501(c4) corporation. Donations are not tax deductible.