



1-10 Calcasieu River Bridge Recommendations

SWLA Economic Development Alliance / Chamber SWLA I-10 Task Force

TASK FORCE INTRODUCTION



- ▶ Formed in 2017
- ▶ Unanimous vote of the Chamber SWLA Board of Directors
- ▶ Members were selected from throughout Southwest Louisiana from a wide range of professional fields

PLEDGE

- ▶ Each Task Force member signed an Altruism Certificate
- ▶ Stated they would not benefit nor seek benefit from their service for themselves, their employees or families
- ▶ Members have pledged to serve through completion of construction of a new Calcasieu River I-10 Bridge

MISSION

Evaluate and propose a recommendation for the financing and construction of the Interstate 10 Calcasieu River Bridge in Lake Charles, Louisiana, and oversee its completion.



TASK FORCE MEMBERS

Keith DuRousseau Task Force Chair, Owner of Keiland Construction

Ernie Broussard Hunt Guillot and Associates

Vernon Meyer Civil Engineer, Meyer and Associates

Ken Broussard CPA, Owner, The Broussard Group Companies, Inc.

John Pohorelsky Attorney, Scofield, Gerard, Pohorelsky, Gallagher and Landry, Managing Member; Past Chairperson, SWLA Economic Development Alliance/Chamber SWLA
Denise Rau Owner, Rau Financial Group

Dr. Daryl Burckel President, McNeese State University

Rick Richard Attorney, Commercial Real Estate Investor, Developer, Founder of Empire of the Seed

Marion Fox President/CEO, Jeff Davis Economic Development and Tourist Commission

Ken Francis Sales Center Manager, Lake Charles Coca Cola Bottling Company United; Past Chairperson, SWLA Economic Development Alliance/Chamber SWLA

Jim Rock Site Executive Director, Mechanical Engineer, Lotte Chemical USA

W. Brent Lumpkin Owner, Lumpkin Properties, Commercial Real Estate Investor, Developer and Broker

Bart Yakupzack Attorney, Jack Lawton Companies

Ex Officio Members:

Philip Earhart Market President – SWLA, IberiaBank; Chairperson, SWLA Economic Development Alliance/Chamber SWLA

Tobie Hodgkins Century 21 Bessette Realty, Inc.; Past Chairperson, SWLA Economic Development Alliance/Chamber SWLA

George Swift President and CEO, SWLA Economic Development Alliance/Chamber SWLA

TASK FORCE EFFORTS



- ▶ First meeting took place on October 12, 2017
- ▶ To better understand the issues related to the current bridge's condition and replacement, the Task Force interviewed subject matter experts in:
 - Infrastructure Design, Engineering & Construction
 - Infrastructure Financing
 - Federal Transit Policy
 - State Transit Policy
 - Business Advocacy
 - Regional Planning

TASK FORCE EFFORTS

Members of the Task Force and Alliance/Chamber staff also:

- ▶ Met with local, state and federal elected officials
- ▶ Viewed infrastructure projects in the Chicago area and in Mobile, Alabama; speaking with business advocacy groups, infrastructure professionals and elected officials in both areas
- ▶ Reviewed materials obtained from the LADOTD pursuant to a Freedom of Information Act request pertaining to the State's process and delays in undertaking and completing the Interstate 10 Calcasieu River Bridge project

HISTORY OF THE I-10 CALCASIEU RIVER BRIDGE

- ▶ Opened to traffic in 1952
- ▶ 50-year design life
- ▶ The I-10 bridge was designed for 37,000 crossings per day
- ▶ 50-year design life assumed 37,000 crossings per day
- ▶ An average of 81,710 vehicles crossed the I-10 Bridge per day in 2016 (over 2 years ago)

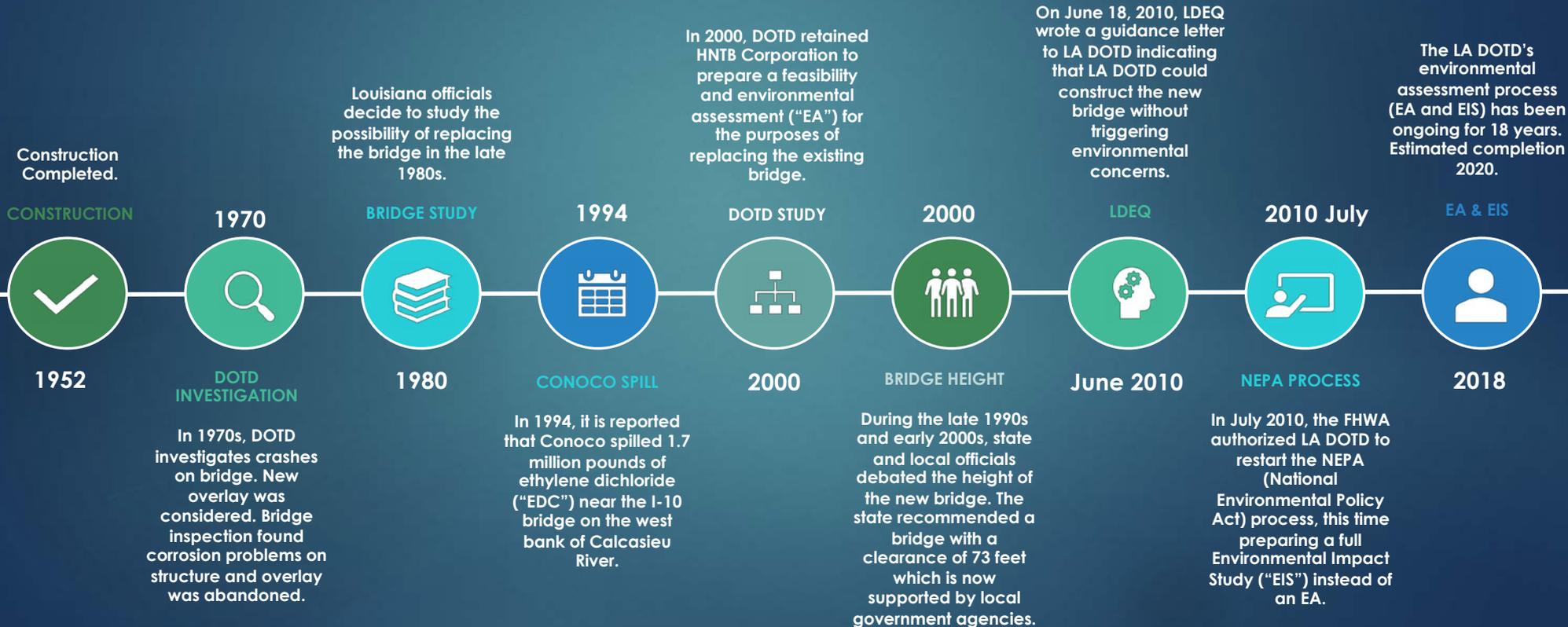
HISTORY OF THE I-10 CALCASIEU RIVER BRIDGE

- ▶ Bridge is rated a 6.6 out of 100 in the National Bridge Inventory (NBI)
- ▶ Compare to the I-35 West Mississippi River Bridge in Minneapolis which collapsed with a rating of 50. Both bridges constructed from steel located in coastal areas.
- ▶ NBI rates the I-10 Calcasieu River Bridge Deck, Superstructure and Substructure as “Serious Condition” with the Structural Evaluation as “basically intolerable requiring high priority of corrective action.”

Serious Condition is defined as: “Loss of section, deterioration, spalling or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.”

- ▶ Bridge replacement has been studied and delayed for over 30 years

I-10 CALCASIEU RIVER BRIDGE TIMELINE



TASK FORCE FINDINGS OVERVIEW

The Task Force has developed a recommendation for infrastructure funding which provides the State with the opportunity to tackle the most critical interstate bridge project in Louisiana without incurring debt or using any tax revenue.

- ▶ LA DOTD's proposed bridge replacement alternatives estimated cost is \$800M in 2018
- ▶ Value Engineering Alternatives reduce cost to \$400 - \$600M
- ▶ LA DOTD's annual statewide maintenance and capital improvements budget is \$650 - \$800M
- ▶ LA DOTD's current infrastructure backlog is \$13B

TASK FORCE FINDINGS OVERVIEW

- ▶ LA DOTD has stated that the State is eligible for participation in the TIFIA federal loan program that is critical to other state's infrastructure replacement programs but,
 1. has acknowledged that it was out of compliance with its LA1 TIFIA loan because it could not meet the debt payments with toll revenue, and
 2. confirmed on August 24, 2018, that the State will have trouble securing another TIFIA loan for the Calcasieu River Bridge.

The Task Force will consider any new information LA DOTD may provide.

- ▶ LA DOTD's response to FOIA (Freedom of Information Act) request indicates environmental contamination is not a cause for delay
- ▶ LA DOTD's traditional delivery is not a viable option
- ▶ Proposed gas tax will not generate sufficient funds to replace bridge

GAS TAX?

- ▶ The federal/state gas tax is currently 38 cents per gallon
- ▶ The proposed gas tax increase initially raises the tax to:
 - 44 cents per gallon for gasoline
 - 42 cents per gallon for diesel
- ▶ It thereafter increases over 10 years :
 - 64 cents per gallon for gasoline
 - 62 cents per gallon for diesel

GAS TAX?

- ▶ The Task Force takes no position on the proposed gas tax, but political observers say it is unlikely to pass.
- ▶ Even if it does pass:
 1. The state will not earmark funds to replace the bridge.
 2. The Task Force has run the numbers and the numbers prove it will not generate enough income to replace the bridge in the foreseeable future.

FINANCING OPTIONS

The Task Force considered the following infrastructure financing methods based on months of research and meetings with bridge construction experts:

- ▶ **Traditional Infrastructure Financing** through federal and state funding (90/10 split)
- ▶ **Non-Traditional Infrastructure Financing**
 1. **Traditional P3 - Public-Private Partnership** financing with some federal/state contributions with toll facility/private financing concession arrangement
 2. **Innovative P3 - Public-Private Partnership** financing in which design and construction is provided by a private venture with tolling concession rights, while expropriation and oversight of construction and maintenance is exercised by the Louisiana Department of Transportation and Development
 3. **100 percent private financing** with no local, state, or federal funds, but with a toll facility with concession arrangement

TASK FORCE RECOMMENDS AN INNOVATIVE PUBLIC-PRIVATE PARTNERSHIP – P3

- ▶ State will not have resources in the foreseeable future
- ▶ Politically and strategically advantageous
- ▶ No local, state or federal dollars are required
- ▶ Funding is more certain and reliable
- ▶ Local, state and federal governments transfer all risk to private developer
- ▶ Developers must comply with all government safety and operational standards

TASK FORCE RECOMMENDS AN INNOVATIVE PUBLIC-PRIVATE PARTNERSHIP – P3

- ▶ Ownership remains public
- ▶ Competition maximizes community choice in project features and characteristics
- ▶ Replacement bridge can be completed in 2 – 3 years from contract award
- ▶ Design, construction, operation and maintenance is funded by tolls
- ▶ Our research has shown that thru-transit traffic will pay the majority of toll fees. Transit traffic does not typically choose an alternative non-toll route.
- ▶ I-10 Bridge tolls reduced for local users
- ▶ I-210 Bridge will remain toll-free

TASK FORCE RECOMMENDATIONS

Next Steps:

- 1. LA DOTD issues a Request for Proposal (RFP) for an innovative public-private partnership(P3) soliciting a private venture to replace the Interstate10 Calcasieu River Bridge**
 - ▶ With a new bridge and pedestrian walkway located immediately north of and parallel to the existing bridge
 - ▶ With ingress and egress at Sampson Street over the railway into the City of Westlake
 - ▶ Whereby the private venture fully finances, designs, constructs, maintains and concession tolls the project under direction of and contract with LA DOTD
 - ▶ The existing bridge remains in service pending completion
- 2. SWLA delegation files in the 2019 legislative session any legislation required to provide for the project including, but not limited to, legislation requiring that any proceeds from EDC spill litigation be dedicated to the benefit of the I-10 Corridor in SWLA.** *We have secured this commitment from the delegation.*

PRELIMINARY PROJECT SCHEDULE AND MILESTONES



CONCLUSION

If the bridge is not replaced in the next 5 years, Southwest Louisiana and the entire country could suffer drastic consequences.

We cannot afford to wait. We've waited long enough.

The cost of doing nothing could result in:

- ▶ Loss of life should a failure occur
- ▶ Devastating traffic congestion
- ▶ Loss of large scale capital investment
- ▶ Distribution and logistical delays

How Can You Get Involved?

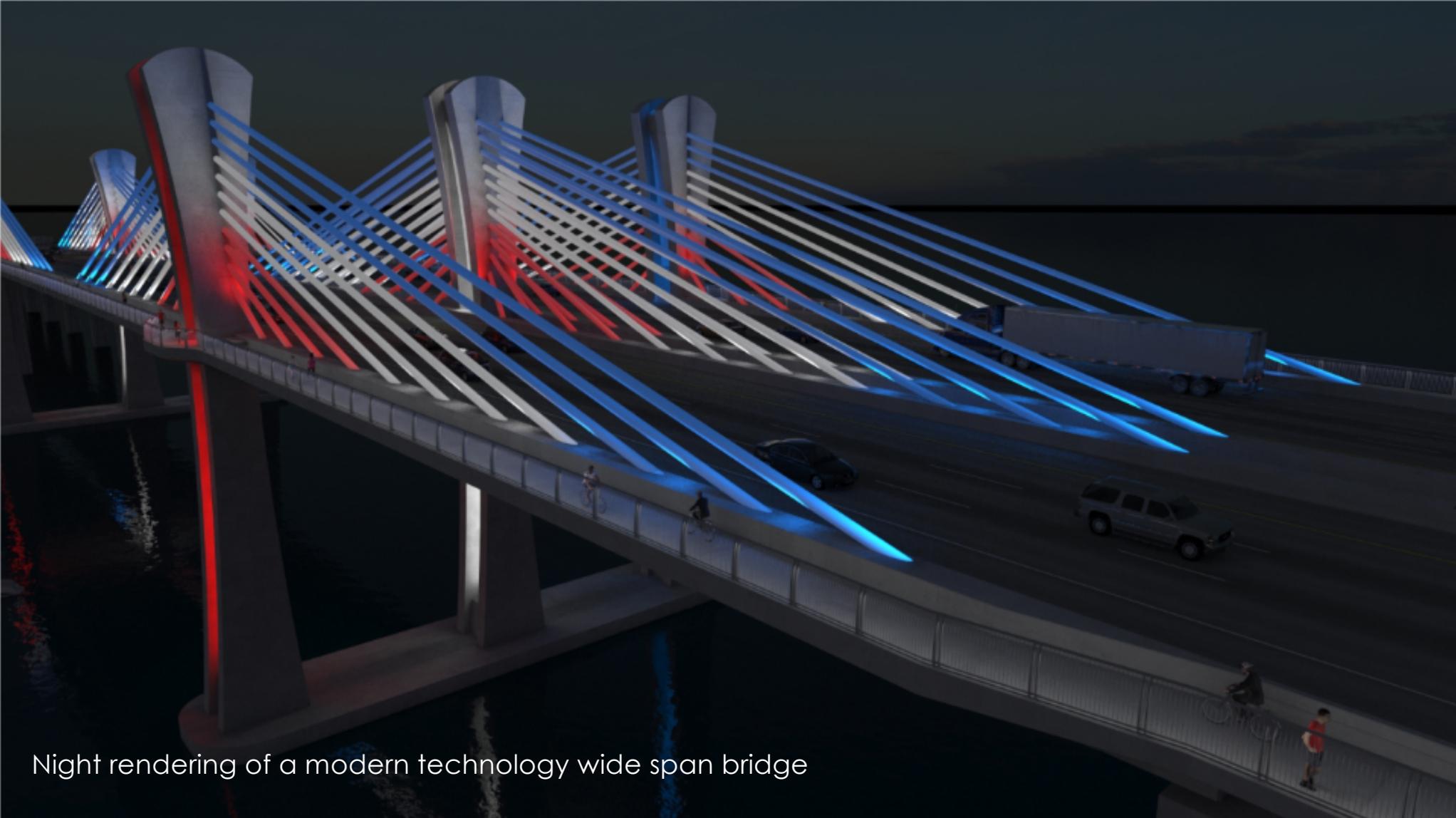
- ▶ Stay up-to-date and share the facts!
- ▶ Like us on Facebook to follow our progress: @BuildOurBridgeswla
- ▶ Website will launch soon – www.BuildOurBridge.org
- ▶ Invite us to speak to your civic and community groups
- ▶ Let our elected officials know that you want their support of a new I-10 Calcasieu River Bridge – we have to keep attention focused on the project
- ▶ We have set up a non-profit advocacy account to help fund our communication initiatives, for those who wish to contribute to these efforts
- ▶ Resolutions of support from organizations/letters of support from individuals to be sent to our state and federal senators and representatives
 - Email to info@BuildOurBridge.org
 - There will be an option on the website



Concept For New I-10 Calcasieu River Bridge



Night time rendering Concept



Night rendering of a modern technology wide span bridge



Rendering of a modern technology wide span bridge