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John Bel Edwards, Governor  
Shawn D. Wilson, Ph.D., Secretary

December 16, 2020

Senator Mack “Bodi” White Jr.  
Chair-Joint Legislative Committee on the Budget

Representative Jerome “Zee” Zeringue  
Vice Chair-Joint Legislative Committee on the Budget

State Capitol, 900 North Third Street  
Baton Rouge, LA 70802

**SUBJECT: GARVEE PROGRAM UPDATE**

Dear Senator White and Representative Zeringue:

The Louisiana Department of Transportation and Development (DOTD) has been granted approval to issue \$650 million Grant Anticipation Revenue Vehicle bonds (GARVEE) to construct four (4) projects. The Joint Legislative Committee on the Budget (JLCB) approved a resolution on March 19, 2019 to issue the first series GARVEE bonds for \$185 million and approved the second series GARVEE bonds for \$142 million for the purpose of granting contracts. The current authorization provides DOTD \$327 million in contract authority. Based on the current spend down, we expect to issue the next series bonds in May 2021 for approximately \$182 million. The \$182 million will provide the necessary funding to complete the current projects and provide funding for the I-10 reconstruction early works package requirement in East Baton Rouge Parish.

Currently all four (4) GARVEE projects have been awarded, however the I-10 reconstruction and widening project is divided into phases. The detailed update is as follows:

1. The I-220/I-20 Interchange Improvement and Barksdale Air Force Base Access Project in Bossier Parish was given the notice to proceed (NTP) on April 24, 2019 with \$78.8 million in GARVEE bonds programmed. To date, \$38 million of GARVEE bonds have been expended and the expected completion date is October 2021. Project updates include the following:
  - a. The design is 95% complete with the lighting design still remaining.
  - b. Construction of the new loop ramps and connector distributor road has started.
  - c. The girder and bridge deck construction are continuing.

- d. Issues: The Barksdale AFB will not have their project constructed on time to tie into the DOTD project by October 2021.
2. The I-10/Loyola Dr. Interchange Improvement Project in Jefferson Parish was given NTP on August 30, 2019 with \$138.8 million in GARVEE bonds programed. To date, \$57.5 million of GARVEE bonds have been expended and the expected completion date is November 2022. Project updates include the following:
  - a. Portions of the I-10, Loyola Drive and Terminal Drive are in the final design phase.
  - b. The right of way acquisition and the utility relocation is on schedule.
  - c. Portions of the I-10 and ramps are in the construction phase.
    - i. Several footings and flyover piers are constructed.
    - ii. Steel girders above I-10 are currently being put into place.
    - iii. The ramp approaches fill and surcharge is constructed.
  - d. There are currently no issues.
3. The I-10; LA 415 to Essen on I-10 and I-12 Project in East Baton Rouge Parish. Due to the complexity of this project it is being phased. The projects let or programed to be let include the College Drive flyover, the KCS Bridge replacement at Acadian (Valley Street), and Segment 1 defined as the section in both directions of the I-10 mainline west of Washington Street to the on and off ramps at Perkins Road. Project updates include the following:
  - a. The KCS Bridge replacement at Acadian (Valley Street) agreement is expected to be complete with the KCS Railroad by March 31, 2021. \$300,000.00 is programed for the design phase and to date, \$222,494.84 has been expended. Once the agreement with the railroad is finalized \$4.6 million in GARVEE bonds is expected to be immediately expended via transfer of funds to KCS.
  - b. The College Drive Flyover NTP was given on August 25, 2020 with \$57.4 million in GARVEE bonds programed. To date, \$2.9 million GARVEE proceeds have been expended and the project completion date is expected by November 2022.
  - c. The estimated Contract award for Segment 1 defined as the section in both directions of the I-10 mainline west of Washington Street to the on and off ramps at Perkins Road is expected to be 3<sup>rd</sup> quarter 2022. The estimated construction cost of Segment 1 is \$394 million.
    - i. The CMAR Construction Contract for pre-construction activities was awarded in November 2020 for the I-10 widening and reconstruction project.
4. The LA 23 Belle Chasse Bridge and Tunnel Replacement Project in Plaquemines Parish was given the NTP on December 20, 2019 and the project cost is \$181.3 million. The GARVEE bonds currently programed for this project are at \$12.5 million, however the GARVEE bond allotment for this project is planned to increase to \$17 million. The

\$12.5 million is expected to be expended by June 30, 2021. Project updates include the following:

- a. The pre-construction design is on-going.
- b. Utility relocation coordination is on-going.
- c. Real Estate acquisition services is on-going.
- d. There are currently no issues.

In summary the GARVEE Bond Program is proceeding on schedule and no significant issues have been identified. The first series of GARVEE bonds for \$185 million was issued on April 23, 2019 providing \$217.8 million of GARVEE funds. To date, \$98.7 million has been expended and based on the anticipated project spend down it is expected that \$214.8 million of GARVEE proceeds will be expended by May 2021 requiring the second series of GARVEE bonds to be issued.

If additional information is required please contact me or Undersecretary Barry Keeling at [barry.keeling@la.gov](mailto:barry.keeling@la.gov) or (225) 379-1270.

Sincerely,



Shawn D. Wilson, Ph.D.  
Secretary

SDW: BK: ygm

c: Joint Legislative Committee on the Budget