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

May 28, 2021

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. DOTD has currently received \$217.8 million of GARVEE proceeds and has expended \$156 million. JLCB authorized the next series GARVEE bonds on February 26, 2021 to be issued in June 2021 and DOTD will receive \$182 million in GARVEE proceeds. The GARVEE bonds 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, \$55 million of GARVEE bonds have been expended and the expected completion date is December 2021. Project updates include the following:
 - a. The design is complete.
 - b. Construction of the new loop ramps and connector distributor road continues.
 - c. The girder and bridge deck construction continues.
 - d. Issues: The Barksdale AFB will not have their project constructed on time to tie into the DOTD project by December 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 programmed. To date, \$78 million of GARVEE bonds have been expended and the expected completion date is November 2022. Project updates include the following:

- a. I-10, the 2 flyover ramps, Loyola Drive and Terminal Drive have been designed. The noise wall and Duncan canal bridge widening are in the final design phase.
 - b. The right of way acquisition (1 remaining parcel) and the utility relocation currently does not show delays to project completion.
 - c. Portions I-10, the 2 flyover ramps, Duncan Canal bridge widening, Loyola Drive, and Terminal Drive are in the construction phase.
 - i. Phase 1 footings and flyover piers are almost all complete.
 - ii. Steel girders above I-10 have been erected and deck forms are being installed.
 - iii. LG-36 Concrete Girders have been erected and deck forms are being installed.
 - iv. The ramp approaches fill and surcharge is constructed.
 - v. The embankment for the Inside widening of I-10 is near completion.
 - vi. Pile driving for bents for the flyover ramps along Loyola have begun.
 - vii. Some striping modifications to terminal drive and Loyola drive have been completed in preparation for work on terminal drive and Loyola drive.
 - viii. Many added and modified drainage structures have been constructed.
 - d. There have been some concerns with the noise wall design concepts regarding drainage, right of way acquisition, and utility relocation. The project team has and will continue to work together to arrive at workable solutions to issues as they arise. The contractor has given notice of delay for a few days, however, we are still in the process of determining if the project completion is actually delayed.
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 with KCS for final execution. \$300,000.00 is programed for the design phase and to date, \$240,000.00 has been expended. Once the agreement with the KCS is finalized, \$4.6 million in GARVEE bonds will be expended via transfer of funds to KCS, who will bid and oversee construction.
 - b. The College Drive Flyover NTP was given on August 25, 2020 with \$57.4 million in GARVEE bonds programed. To date, \$9 million GARVEE proceeds have been expended and the project completion 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 3rd quarter 2022. The estimated construction cost of Segment 1 is \$415.4 million.

- i. The CMAR Construction Contract for pre-construction activities was awarded in November 2020 for the I-10 widening and reconstruction project and the CMAR team continues collaboration on the design.
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. JLCB has authorized \$17 million in GARVEE proceeds. Currently \$12.5 million in GARVEE proceeds for this project has been expended. Project updates include the following:
 - a. The design is on-going.
 - b. Utility relocation coordination is on-going.
 - c. Real Estate acquisition services are 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. By the end of July 2021 \$201 million is programed to be expended. The second series of GARVEE bonds will be issued in June 2021 for \$182 million in GARVEE proceeds.

If additional information is required please contact me or Undersecretary Barry Keeling at 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
State Bond Commission