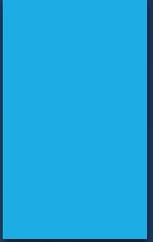




1-10 Calcasieu River Bridge Recommendations

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

TASK FORCE INTRODUCTION



Formed in 2017 by unanimous vote of the Chamber SWLA Board of Directors.

Members were selected from throughout Southwest Louisiana based upon their history of community engagement, professional skills, credibility, business acumen, and desire to spearhead a local grassroots effort to advocate for a new bridge.

PLEDGE

Each Task Force Member signed an Altruism Certificate attesting to the fact that they would not benefit nor seek benefit from their service for themselves, their employees or families.

Task Force 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

Task Force Chairperson:

Keith DuRousseau Owner of Keiland Construction

Ernie Broussard

Hunt Guillot and Associates

Ken Broussard

CPA, Owner, The Broussard Group Companies, Inc.

Dr. Daryl Burckel

President, McNeese State University

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

W. Brent Lumpkin

Owner, Lumpkin Properties, Commercial Real Estate Investor, Developer and Broker

Ex Officio Members:

Philip Earhart

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

George Swift

President and CEO, SWLA Economic Development Alliance/Chamber SWLA

Task Force Members:

Vernon Meyer

Civil Engineer, Meyer and Associates

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

Rick Richard

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

Jim Rock

Site Executive Director, Lotte Chemical USA

Bart Yakupzack

Attorney, Jack Lawton Companies

Tobie Hodgkins

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



TASK FORCE EFFORTS

The Task Force held its first meeting on October 12, 2017. The group has focused on infrastructure techniques, delivery methods, financing, as well as state and federal infrastructure policy with the intention of providing a recommendation that leads to the construction of a new Interstate 10 Calcasieu River Bridge. In order 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

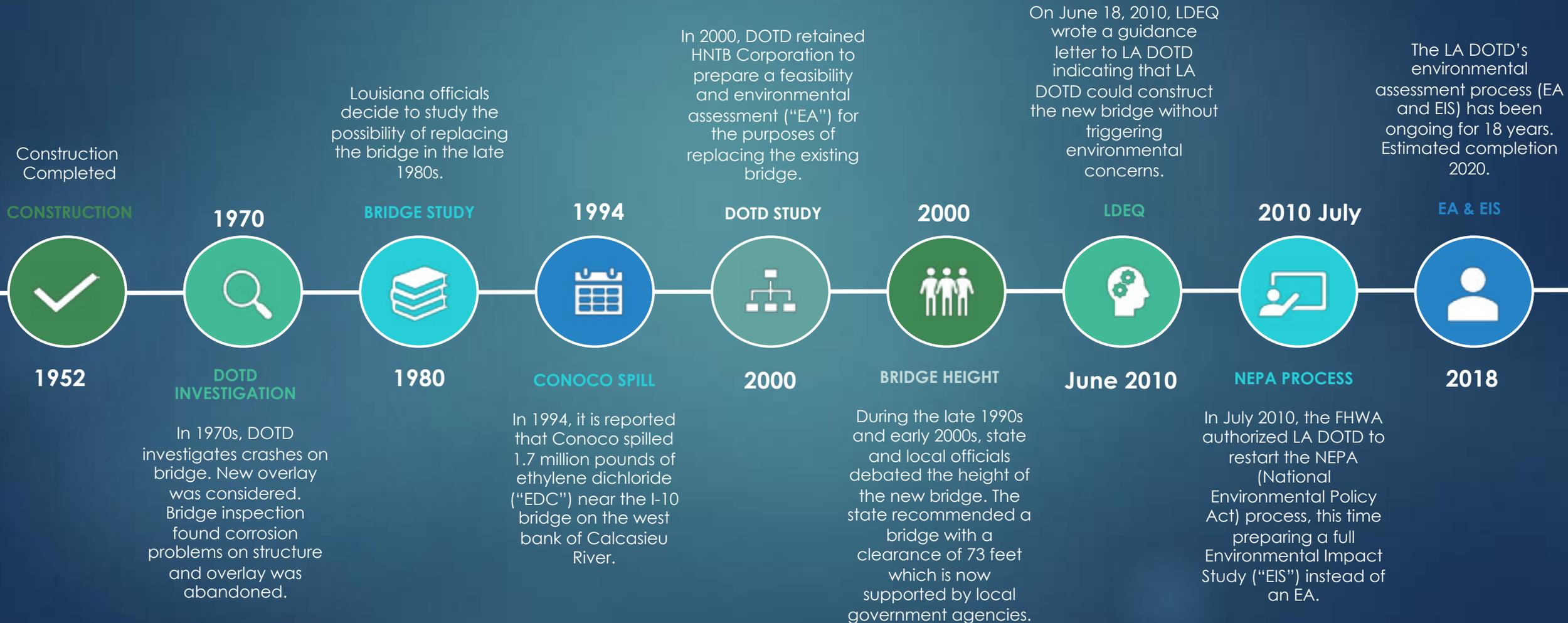
Members of the Task Force and Alliance staff also met with local, state and federal elected officials and viewed infrastructure projects in the Chicago area and in Mobile, Alabama, where they were able to speak with business advocacy groups, infrastructure professionals and elected officials.

Task Force members and the Alliance Chamber staff also 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
- ▶ Bridge is rated a 6.6 out of 100 by the National Bridge Registry – 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
- ▶ 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.

- ▶ LADOTD's proposed bridge replacement alternatives estimated cost is \$800M in 2018
- ▶ Value Engineering Alternatives reduce cost to \$400 - \$600M
- ▶ LADOTD's annual statewide maintenance and capital improvements budget is \$650 - \$800M
- ▶ LADOTD's current infrastructure backlog is \$13B
- ▶ Federal TIFIA funds are not available – LADOTD defaulted on the LA1 Project
- ▶ LADOTD's response to FOIA (Freedom of Information Act) request indicates environmental contamination is not a cause for delay
- ▶ LADOTD'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 governor's proposed increase initially raises the tax to:

- 44 cents per gallon for gasoline

- 42 cents per gallon for diesel

It thereafter increases over 10 years to come:

- 64 cents per gallon for gasoline

- 62 cents per gallon for diesel

The Task Force takes no position on the governor's gas tax proposal, 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

Following hearings with finance experts, Task Force members compiled and evaluated financial data and prepared a matrix which lists the different methods and their processes for bridge construction. The Task Force considered the following infrastructure financing methods:

- ▶ Traditional Infrastructure Financing through federal and state funding (80/20 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

- ▶ 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 standards
- ▶ Ownership remains public
- ▶ Competition maximizes community choice in project features and characteristics
- ▶ Replacement bridge can be completed in 2 – 3 years
- ▶ Design, construction, operation and maintenance is funded by tolls
- ▶ I-10 Bridge tolls can be reduced for local users
- ▶ I-210 Bridge will remain toll-free

TASK FORCE RECOMMENDATIONS

1. LA DOTD issues a Request for Proposal (RFP) for an innovative public-private partnership (P3) soliciting a private venture to replace the Interstate 10 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. Southwest Louisiana 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.
3. Reduced tolls for local users

PRELIMINARY PROJECT SCHEDULE AND MILESTONES



CONCLUSION

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

The cost of doing nothing could result in the loss of life, devastating traffic congestion, loss of large scale capital investment, distribution and logistical delays.



Rendering of a modern technology wide span bridge