
LOUISIANA TRANSPORTATION AUTHORITY

PUBLIC MEETING
HELD ON MONDAY, MAY 23, 2022
AT THE STATE CAPITOL BUILDING
JOHN J. HAINKEL, JR. ROOM
900 NORTH THIRD STREET
BATON ROUGE, LOUISIANA

ORIGINAL

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1 APPEARANCES :

2 MEMBERS :

3 CHAIRMAN REPRESENTATIVE MARK WRIGHT

4 BARBARA GOODSON

5 CHRISTOPHER MATTHEW JOHNS

6 CHALIN O. "COP" PEREZ, JR.

7 BRAD LAMBERT, DEPUTY SECRETARY, LED

8 SHAWN D. WILSON, PH.D

9 ALSO APPEARING :

10 BARRY KEELING, UNDERSECRETARY, DOTD

11 DARHLENE MAJOR, EXECUTIVE COUNSEL, FOLEY & JUDELL

12 TIFFANEY TROSCLAIR, BOND COUNSEL, DOTD

13 JENNIFER WALKER, SECRETARY

14 Reported by:

15 Kelly S. Perrin, Certified Court Reporter

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1 P R O C E E D I N G S

2 CHAIRMAN WRIGHT:

3 Good morning. Today is Monday, May 23rd.
4 This is the meeting of the Louisiana
5 Transportation Authority.

6 Madam Secretary, will you please call the
7 roll?

8 MS. WALKER:

9 Good morning. Please respond to your
10 name.

11 Mr. Amato?

12 Mr. Amato, absent.

13 Senator Cortez?

14 Senator Cortez, absent.

15 In place of Mr. Dardenne, Ms. Barbara
16 Goodson?

17 MS. GOODSON:

18 Here.

19 MS. WALKER:

20 Ms. Goodson, present.

21 Mr. Christopher Johns?

22 MR. JOHNS:

23 Here.

24 MS. WALKER:

25 Mr. Johns, present.

1 Mr. Lambert?

2 MR. LAMBERT:

3 Here.

4 MS. WALKER:

5 Mr. Lambert, present.

6 Senator Patrick McMath?

7 Senator McMath, absent.

8 Mr. Perez?

9 MR. PEREZ:

10 Here.

11 MS. WALKER:

12 Mr. Perez, present.

13 Secretary Shawn Wilson.

14 Secretary Wilson, absent.

15 Representative Wright?

16 CHAIRMAN WRIGHT:

17 Present.

18 MS. WALKER:

19 Representative Wright, present.

20 Okay. We have a quorum.

21 CHAIRMAN WRIGHT:

22 Okay. Thank you. A few announcements
23 before we get started, please silence your
24 cell phones. If you must take a call, please
25 step outside of the Committee Room. If you

1 wish to give testimony, please fill out a
2 witness card completely, sign it, and hand it
3 up to our Sergeant at Arms. Your signature is
4 an affirmation that the testimony you give is
5 true.

6 Green striped cards are for support. Red
7 striped cards are in opposition. White cards
8 are for informational purposes only. And blue
9 striped cards are for employees who are
10 designees of the State elected officials.

11 Okay. Let's go ahead. We need to read
12 and approve minutes of November 29, 2021.

13 MR. JOHNS:

14 I move to approve, Mr. Chairman.

15 MR. LAMBERT:

16 Second.

17 CHAIRMAN WRIGHT:

18 We have a motion to approve and a second.
19 Do I have any objections?

20 Hearing none, those minutes of November
21 29, 2021 are approved.

22 Okay. Today, new business is to approve
23 a new toll schedule subject to agreement from
24 the TIFIA lender. We have a presentation, is
25 that right?

1 MR. KEELING:

2 Yes, sir. Barry Keeling, Undersecretary
3 for the Department of Transportation and
4 Development. I do have a little schedule
5 update that will show what the old -- current
6 schedule is and what the proposed schedule is.

7 CHAIRMAN WRIGHT:

8 Okay, excellent. Do you want to go ahead
9 and go forward with that right now?

10 MR. KEELING:

11 Yes, sir.

12 CHAIRMAN WRIGHT:

13 Okay. Who else is at the table with you,
14 just for the record?

15 MS. MAJOR:

16 Darhlene Major, Executive Counsel for
17 DOTD.

18 MS. TROSCLAIR:

19 Tiffaney Trosclair with Foley & Judell,
20 Bond Counsel for DOTD.

21 CHAIRMAN WRIGHT:

22 Thank you.

23 MR. KEELING:

24 Okay. Sir, like I mentioned, I have a
25 short brief that will provide a -- that will

1 cover the current schedule, toll schedule and
2 classifications, proposed classifications and
3 toll schedule, the debt service and revenue
4 update that would be proposed to go with that.
5 And then Ms. Trosclair will review the
6 proposed resolution and then the proposed
7 amendment to the TIFIA Loan Agreement.

8 Currently, at the Department of
9 Transportation and Development, we are
10 operating the tolls at LA1. It has eight
11 classifications, which list off to the left
12 side; and then the table off to the right, you
13 can kind of see the current toll rates for
14 each of the schedule -- or each of the
15 classifications that are there.

16 The last increase was in 2018. There's a
17 proposed increase that will go into effect
18 January 1st of 2023. And then the next
19 proposed toll rate that is in part of the loan
20 documents right now is not until 2028. And
21 then that is the last one that has been
22 approved by the Transportation Authority.

23 The proposed classifications and toll
24 rates are as depicted here on this slide. So
25 we're going from eight classifications to

1 three; small vehicles, medium vehicles, and
2 large vehicles. And then the proposed toll
3 rates for 2023 and 2028 are depicted off to
4 the table to the right. We did not do a rate
5 for the current because this will not take
6 effect until after the rate change in January
7 of 2023.

8 This new proposed classification and toll
9 rates will take effect with the P3 taking over
10 the operation. We're estimating that to be
11 about July of 2023.

12 I'll just pause to see if anybody has any
13 questions about the proposed classifications
14 and the rate schedule?

15 CHAIRMAN WRIGHT:

16 Any members of the Authority have
17 questions?

18 Okay. Please proceed.

19 MR. KEELING:

20 Okay. The new proposed rate toll
21 schedule is revenue neutral. So you can see,
22 and from 2023 to 2028, there are just a few
23 thousand dollars to the positive. So it's
24 about as neutral as we can get it without
25 having a revenue deficit with the changes.

1 So we would recommend going forward with
2 this and it will keep the State's burden about
3 even to where it is right now as far as a debt
4 service goes.

5 Unless there's any questions, we can move
6 into the resolution and review.

7 CHAIRMAN WRIGHT:

8 Any questions?

9 MS. TROSCLAIR:

10 So the resolution before you virtually
11 puts to paper the rate changes that
12 Undersecretary Keeling just mentioned. It
13 authorizes the Amendment of the TIFIA Secured
14 Loan Agreement and the Pledge and Security
15 Agreement to confirm the new toll schedule.
16 It does so by amending and replacing Exhibit H
17 to the Loan Agreement, which is the toll rate
18 schedule and Schedule A to the Pledge and
19 Security Agreement, which is also the toll
20 schedule.

21 And the resolution also confirms the, I
22 guess, the desire, the obligation of the DOTD
23 to operate and maintain the project under the
24 DOTD's Cooperative Endeavor Agreement between
25 the Authority and DOTD to maintain the project

1 and see it to completion and throughout.
2 Other than that, it just authorizes the
3 execution of any and all documents related to
4 said Amendment, so anything, you know,
5 certificate-wise that we have to sign to make
6 sure that this moves forward.

7 CHAIRMAN WRIGHT:

8 Any questions?

9 MR. KEELING:

10 Sir, what we would ask at this point is
11 to go to a vote and authorize us to move
12 forward with this resolution and for the LTA
13 to approve it.

14 CHAIRMAN WRIGHT:

15 Okay. Thank you.

16 MS. MAJOR:

17 Darhlene Major, Executive Counsel for
18 DOTD. I want to point out that this is
19 conditional upon us getting the consent for
20 the TIFIA loan.

21 CHAIRMAN WRIGHT:

22 Thank you. Do we have a motion?

23 MS. GOODSON:

24 Mr. Chairman, question.

25 CHAIRMAN WRIGHT:

1 Okay.

2 MS. GOODSON:

3 What's the big picture effect on
4 outstanding debt service? I mean, I remember
5 when these bonds were issued, but what's the
6 duration and expectation for future years in
7 the event we come up with some more money, you
8 know?

9 MR. KEELING:

10 The debt service actually goes out to
11 around 2047, and there is going to be a
12 deficit with -- as there have been the last
13 several years of two to \$4 million per year
14 that would be a deficit based on the -- what
15 the debt service is to the toll collections.
16 I do have a little bit of an update on the
17 next presentation that will talk about the
18 next two years specifically.

19 But, then -- but the debt service does
20 escalate from current year '21 -- or '22, it's
21 going to be \$6.2 million, and it escalates up
22 to about \$9.12 million starting in '29. And
23 it's a gradual escalation from there. And we
24 really don't see the revenues coming in more
25 than four and a half to five and a half

1 million dollars per year based on what we're
2 currently seeing.

3 MS. GOODSON:

4 Is there any prepayment issue as far as,
5 are the bonds callable, or -- it's a loan,
6 right?

7 MR. KEELING:

8 They are -- the only conditions, and
9 Tiffaney can weigh in on this, but we do have
10 a standard TIFIA with this and there's a rural
11 TIFIA and then there's bonds. So before any
12 of the bonds or the standard TIFIA is prepaid,
13 the rural TIFIA would be prepaid first.

14 MS. TROSCLAIR:

15 Yeah, that's about right.

16 MS. GOODSON:

17 The loan prepays before the bonds?

18 MS. TROSCLAIR:

19 The rural.

20 MR. KEELING:

21 The rural loan would prepay before the
22 bonds.

23 MS. GOODSON:

24 Okay.

25 SECRETARY WILSON:

1 Good morning. I apologize for being
2 late. The other factor that we talk about to
3 address, and I know we've worked with the
4 Division to cover the debt that we have, we
5 did consider looking at, not necessarily the
6 revenue neutral structure to help address
7 that, but we opted against it given the public
8 input that we would need, the public outreach
9 of this area, and recognizing that
10 restructuring was also going to produce some
11 efficiencies for us that helped in the end.
12 So we did factor the debt service -- the
13 deficit for the debt service in, but did not
14 find a way to do it. But we welcome any new
15 money that you have to help pay down the rural
16 debt and the other as well.

17 MS. GOODSON:

18 How much is it?

19 SECRETARY WILSON:

20 I defer to Barry or staff for that. And
21 I don't know if you brought it, but if not, we
22 can absolutely get it to you.

23 MR. KEELING:

24 I can get that together and get that to
25 you this afternoon.

1 MS. GOODSON:

2 Thank you.

3 CHAIRMAN WRIGHT:

4 Okay. Any other questions?

5 Okay. Do we have a motion?

6 SECRETARY WILSON:

7 So moved.

8 CHAIRMAN WRIGHT:

9 Secretary Wilson has moved. Do we have a
10 second?

11 MR. JOHNS:

12 Second.

13 CHAIRMAN WRIGHT:

14 And that's seconded by Mr. Johns. It's a
15 motion to approve. Are there any objections?

16 Hearing none, the toll schedule is
17 approved.

18 Okay. In old business, moving on, we've
19 got an update on restoring tolls, correct?

20 MR. KEELING:

21 Yes, sir, we do. And we were going to
22 give a quick update on the Amendment with
23 TIFIA if the Board would like to hear that?

24 CHAIRMAN WRIGHT:

25 Sure. Yeah, let's go ahead.

1 MS. TROSCLAIR:

2 Again, it's very brief, pretty much what
3 I already explained that the resolution
4 authorizes. This will just be the First
5 Amendment to the TIFIA Secured Loan Agreement
6 which essentially allows for the replacement
7 of Exhibit H, which is the toll rate schedule
8 that you just approved, and it also confirms
9 the obligation of DOTD to maintain the
10 project. So it just pretty much replaces the
11 old with the new and lets up keep going as
12 usual.

13 MR. KEELING:

14 So once we get the resolution and once
15 we -- we're working a few -- answering a few
16 questions with USDOT right now, and then we'll
17 be ready to move in to sign the note to a loan
18 agreement and that would require the Authority
19 to sign and as well as USDOTD. And then it
20 just allows their acknowledgment that we're
21 going to transition the operation of the toll
22 from DOTD to a third-party contractor and that
23 their rate classifications and toll schedules
24 would change.

25 And subject to any questions, that

1 completes this portion of the brief, sir.

2 CHAIRMAN WRIGHT:

3 Any questions?

4 Okay. Why don't we move on to old
5 business then?

6 MR. KEELING:

7 Okay, sir. This, we'll talk about the
8 tolls repair schedule, quick update on that,
9 and then the debt service and revenue update
10 for the next two years.

11 As you know, in August of 2021, Hurricane
12 Ida destroyed the infrastructure for the toll
13 collections there at LA1. That is in the
14 process of being rebuilt. The notice to
15 proceed was given to the contractor to do that
16 effective March of 2022. We expected
17 construction to be complete in September of
18 2022. And, currently, while there being no
19 tolls collected, we do have lost revenue
20 insurance that is helping to cover that, and
21 then we did have some toll collections prior
22 to the hurricane hitting last year. So I'll
23 talk about that on the next slide.

24 And the -- Plenary is then scheduled to
25 take over with the new toll structure and the

1 transition from DOTD to Plenary effective July
2 of 2023.

3 Just real quick on the debt service, for
4 2022, the current debt service is just about
5 \$6.2 million. We're projecting revenues of
6 \$4,280,000. Of that, about \$950,000 was
7 actual toll collections. The remainder of
8 that is lost revenue insurance, and which is
9 going to leave a deficit of about \$2 million
10 that the State will pick up.

11 In 2023, we're estimated that the debt
12 service is going to be about \$6.1 million, and
13 we're projecting those revenues to be about
14 \$5 million. And they will be mostly -- there
15 will be some lost revenue insurance
16 collections in that about a million dollars.
17 The rest of that will be projected toll
18 collections based on the construction schedule
19 that we're currently looking at.

20 We're also in negotiations with ORM and
21 we're trying to maximize the cap on the lost
22 revenue insurance, that \$4.75 million. So we
23 might be able to glean a little bit of
24 additional lost revenue insurance out of that
25 as we complete the negotiations there with the

1 insurance company. We had those meetings,
2 along with the Division and DOTD legal staff
3 later this week.

4 Subject to any questions, this concludes
5 this portion of the brief.

6 CHAIRMAN WRIGHT:

7 I'm intrigued, you said lost toll revenue
8 insurance, that's just basic business
9 interruption insurance?

10 MR. KEELING:

11 It is, sir, yes, sir.

12 CHAIRMAN WRIGHT:

13 What kind of entities provide that?
14 That's a private insurance company?

15 MR. KEELING:

16 It is through ORM. It's self insurance
17 by the State.

18 CHAIRMAN WRIGHT:

19 Okay. Gotcha. All right. Thank you.
20 You learn something new every day.

21 Okay. Do we have any other questions
22 about the update? Let's just --

23 MS. GOODSON:

24 Yeah. I just want to make sure, on that
25 slide, Barry, y'all just went through, there's

1 a TIFIA Loan balance, is that the total of all
2 of them or?

3 MR. KEELING:

4 That is the total balance of all the --

5 MS. GOODSON:

6 Loans.

7 MR. KEELING:

8 -- all the loans.

9 MS. GOODSON:

10 So how much would the rural be to -- it's
11 just a part of this, right?

12 MR. KEELING:

13 It is a part of that.

14 MS. GOODSON:

15 Okay.

16 MR. KEELING:

17 Yes, ma'am. But I'll get that exact
18 breakdown on what's the rural, the standard,
19 and the public bonds.

20 MS. GOODSON:

21 Thank you.

22 CHAIRMAN WRIGHT:

23 Okay. Unless I'm missing something, we
24 don't need to take a motion on the
25 presentation on this update.

1 Moving on down to other business or
2 public comments. Secretary Wilson?

3 SECRETARY WILSON:

4 In regards to other business, I would
5 like to invite the members of LTA and the
6 public to the groundbreaking for the next and
7 final phase of LA1. As you all may or may not
8 know, this was the first TIFIA Loan. Because
9 of the BP settlement that the Legislature
10 passed, we were successful at getting the
11 second largest INFRA Grant ever at \$135
12 million, I believe it was, that's ever in the
13 country since the onset of discretionary
14 grants under the Obama Administration.

15 And so we led this project at a really
16 good time before rates and escalation and
17 things went up. And so we are going to be
18 breaking ground on June the 24th. It's really
19 not breaking ground. We're going to turn dirt
20 on the elevated portion indicating that the
21 next phase of it is officially underway. It's
22 been bid out. The contractor is actually
23 working. And subject to any changes, that is
24 the date that we will be there. And LA1 and
25 the LA1 coalition, along with their private

1 partners, are notorious for having a pretty
2 nice reception, but we would invite all of the
3 members of the LTA to please participate if
4 you can to be recognized at that event.

5 MR. JOHNS:

6 Secretary, would it be possible for us to
7 get a formal invitation for the location and
8 time and all that?

9 SECRETARY WILSON:

10 Yeah. So it is forthcoming, but I just
11 wanted to get it out.

12 MR. JOHNS:

13 Thank you.

14 SECRETARY WILSON:

15 But you all will get invited as the
16 official entity that started that project.
17 You will be a part of that discussion and
18 invitations.

19 MR. JOHNS:

20 Thank you.

21 CHAIRMAN WRIGHT:

22 Okay. Thank you. Any other business?
23 Public comments?

24 Okay. Seeing none, I'll take a motion to
25 adjournment.

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MR. LAMBERT:

So moved.

CHAIRMAN WRIGHT:

We've got a motion to adjourn by
Mr. Lambert. A second? Do we need a second?
Are there any objections?

Okay. Hearing no objections, we
adjourned, the Louisiana Transportation
Authority on May 23rd, 2022. Thank you.

(WHEREUPON, THE MEETING ADJOURNED.)

1 R E P O R T E R ' S C E R T I F I C A T E

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3 Reporter, Certificate #23035, in good standing with
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KELLY S. PERRIN, CCR