

**NOTICE OF PUBLIC MEETING
LOUISIANA TRANSPORTATION AUTHORITY**

A meeting of the Louisiana Transportation Authority is scheduled for:

Monday
November 29, 2021
9:00 A.M.
Louisiana State Capitol
John J. Hainkel Jr. Room
900 North Third Street
Baton Rouge, LA 70802

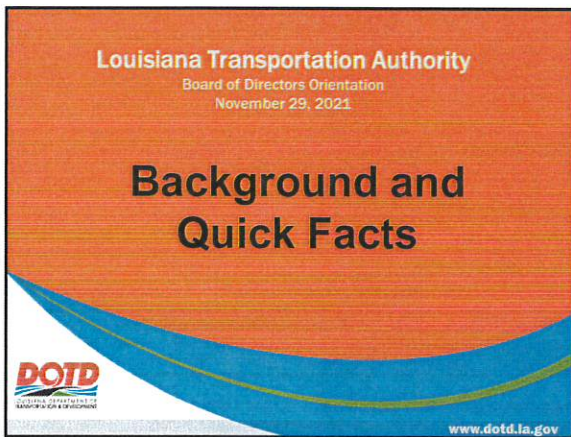
1. Call to Order
2. Roll Call
3. Reading & approval of minutes of June 8, 2021 meeting
4. Informational Items
 - a. Board Orientation
 - b. LA 1 Update
5. New Business
6. Old Business
7. Other Business
8. Public Comments
9. Adjournment

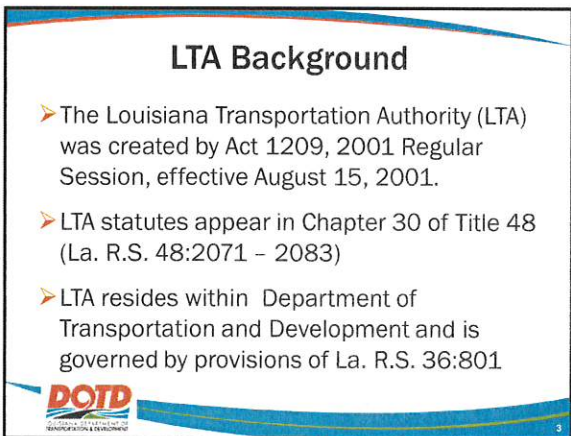
Pursuant to La. R.S. 48:2084 (F) and La. R.S. 42:17 a portion of the meeting may be conducted in executive session

This agenda is subject to revision.

*If you need special assistance relative to the meeting or further information
Contact Deidre Deculus Robert, Executive Counsel
Louisiana Department of Transportation and Development
225-379-1009*








LTA Quick Facts

- Domiciled in East Baton Rouge Parish
- Statewide Jurisdiction
- 9 Directors
- Current version of by-laws adopted May 26, 2005
- Officers: Chairman, Vice-Chairman, and Secretary-Treasurer
- Official seal
- Official Journal: *The Advocate*
- Majority of Directors required for Quorum




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LTA's Purpose

"[T]o pursue alternative and innovative funding sources, including but not limited to public/private partnerships, tolls, and unclaimed property bonds to supplement public revenue sources and to improve Louisiana's transportation system."

La. Stat. Ann. § 48:2072(B)




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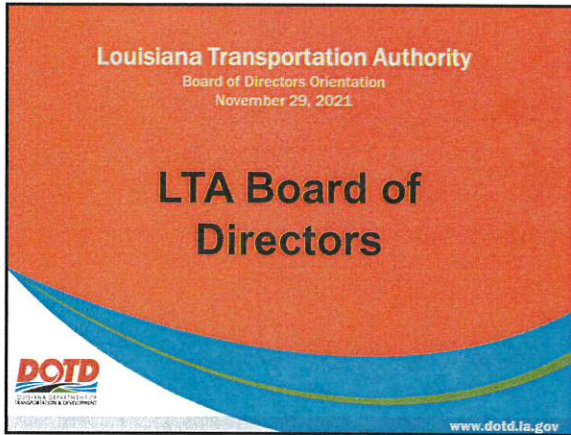
LTA's Purpose

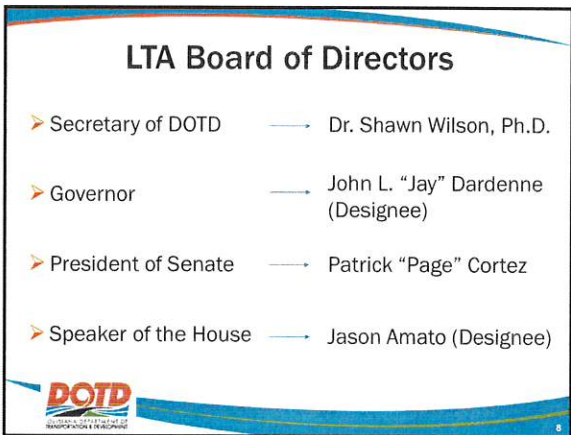
"[T]o encourage investment in the state of Louisiana by private entities and to facilitate to the greatest extent feasible the financing, development, and operation of transportation facilities."

La. Stat. Ann. § 48:2072(D)



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LTA Board of Directors


- Secretary of the Louisiana Dept. of Economic Development → Brad Lambert (Designee)
- Governor Appointment (La. Planning Council) → Christopher Matthew Johns
- Governor Appointment (Business & Industry) → Chalin O. "Cop" Perez



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LTA Board of Directors


- LTA is subject to:
 - Code of Governmental Ethics
 - Annual Financial Disclosure (Tier 2.1)
 - Open Meetings Law
 - Public Records Law
- Directors appointed by the Governor
 - Shall be confirmed by the Senate
 - Required to take oath
 - May serve until successor appointed
 - May be removed for cause



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Louisiana Transportation Authority
Board of Directors Orientation


LTA Powers and Authority



www.dotd.la.gov

LTA Powers and Authority

- Plan, construct, reconstruct, maintain, improve, operate, own, or lease projects & pay any costs associated therewith
 - Must have prior express written concurrence of DOTD Secretary
 - Project must be part of DOTD's approved transportation plan
 - Feasibility study required prior to project initiation



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LTA Powers and Authority


- Apply for, receive and accept grants, loans, advances
- Borrow money & issue bonds, subject to approval by State Bond Commission
- Authorize the investment of public and private money to finance LTA projects
- Impose, revise, and adjust tolls, fees, & charges to pay project costs, O&M, and service debt



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LTA Powers and Authority


- Can sue and be sued
- Acquire, hold, lease and dispose of real and personal property (Public and Private)
- Establish control of access
- Exercise power of eminent domain
- Relocate parish and municipal roads
- Authorize agents to enter upon land for site surveys



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LTA Powers and Authority


- Exercise power of eminent domain
- Regulate speed limits on tollways
- Employ: Consultants Engineers
 Attorneys Accountants
 Superintendents Managers
- Perform all acts necessary to execute the powers granted to LTA by law



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Louisiana Transportation Authority
Board of Directors Orientation
November 29, 2021

Public-Private Partnerships (P3s)



www.dotd.la.gov

Public Private Partnerships

- LTA is authorized to enter into public-private partnership agreements for the construction of qualifying transportation facility projects
- *“Transportation Facility”* - A highway, limited access facility, ferry, airport, mass transit, rail or port facility or similar facility used for the transportation of persons or goods, together with any buildings, structures, parking areas, appurtenances or other features necessary to operate such facility or associated with its purpose



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**Public Private Partnerships
Transportation Services Agreements**

- LTA is also authorized to enter into public-private partnership agreements for the provision of transportation services
- Service contracts may provide for service payments to the private entity and “other consideration as the authority may deem appropriate”



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Public Private Partnerships


- Prior to approving a public-private partnership project, LTA must submit a proposal to the House and Senate Transportation Committees
- Committee Chairs have 30 days to call public meeting after receiving proposal from LTA
- May be initiated by private entities or LTA



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**Public Private Partnerships
Types of Proposals**


- **Solicited Proposal** – A proposal submitted by a private entity in response to a request from LTA or DOTD
- **Unsolicited Proposal** – A proposal submitted by a private entity without LTA or DOTD issuing a request



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**Public Private Partnerships
Procurement Process**


- Typical procurement requirements do not apply to P3 projects
- Procurement process may include provisions for competitive negotiation and sealed bidding
- LTA is not required to select proposals with the lowest price, but may consider price as one factor in evaluating proposals



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**Public Private Partnerships
Unsolicited Proposal Process**

- Private entity submits proposal for a qualifying transportation facility
- Staff review the proposal to determine if the project serves a public purpose
- Staff presents the proposal to the LTA for review and decision
- Proposals serving a public purpose submitted to House and Senate Transportation Committees



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**Public Private Partnerships
Unsolicited Proposal Process**

- Public Purpose Analysis
 - Public need for the facility
 - Plan of operation is reasonable and compatible with State and Local plans
 - Cost is reasonable
 - Proposal will result in timely development or more efficient operation



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**Public Private Partnerships
Unsolicited Proposal Process**

- After public hearing LTA determines whether proposal should be considered
- If the proposal is approved, advertise receipt of unsolicited proposal and accept competing proposals for 90 days
- All proposals are evaluated and recommendation provided to LTA
- Execution of preliminary development agreement



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**Public Private Partnerships
Unsolicited Proposal Process**

- Once details have been finalized, a comprehensive agreement for the project is executed
- The terms and conditions appearing in the comprehensive agreement will govern implementation and operation of the P3 project
- LTA must approve the provisions of the comprehensive agreement prior to its execution



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**Public Private Partnerships
Solicited Proposal Process**

- LTA may request proposals from private entities to develop or operate a transportation facility
- LTA may charge a reasonable fee to review and evaluate proposals
- Upon receipt, LTA sends solicited proposals to the House and Senate Transportation Committees for public hearing
- LTA receives public comments from the committees and decides whether to pursue the project



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Public Private Partnerships Solicited Proposal Process


- If LTA decides to pursue the project, a preliminary development agreement outlining responsibilities for the project will be executed
- After final project details have been determined, a comprehensive agreement for project implementation and operation will be executed
- LTA must approve the provisions of the comprehensive agreement prior to its execution



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Intellectual Property Protection

- LTA shall take appropriate action to protect trade secrets and other confidential, privileged, and proprietary information received from a private entity, including but not limited to information exempt from disclosure under the federal Freedom of Information Act or La. Public Records Law.
- LTA may enter into confidentiality agreements to protect a private entity's proprietary information and intellectual property



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Public Private Partnerships Guidelines

- LTA has adopted publicly available guidelines to enable private entities to comply with statutory requirements
- Guidelines include criteria for LTA projects, description of solicited and unsolicited proposal processes, the manner of selection from competing proposals, and a description of the provisions to be included within a comprehensive agreement



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Public Private Partnerships Comprehensive Agreement


- The comprehensive agreement shall include:
 - LTA's approval of plans and specifications
 - LTA's inspection of construction
 - LTA's monitoring of maintenance practices
 - Reimbursement to LTA for services rendered
 - Periodic filing of financial statements
 - Date of termination



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Public Private Partnerships

- Until 2016 LTA was the only entity authorized to pursue P3s for transportation facilities
- Act 519 of 2016 Legislative Session authorized DOTD to unilaterally solicit P3s without involvement from LTA
- LTA's involvement is required for consideration of unsolicited P3 proposals



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LTA Past Projects

- Tollway connecting Golden Meadow and Port Fourchon opened in 2009
- LTA's only project to date



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Contact Information

Dr. Shawn Wilson
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Shawn.Wilson@la.gov


Peggy Jo Paine Innovative Procurement Program Manager (225) 379-1065 Peggy.Paine@la.gov	Deidre Robert DOTD Executive Counsel (225) 379-1200 Deidre.Robert@la.gov
Terrence "Joe" Donahue, Jr Innovative Procurement Attorney (225) 379-1223 Terrence.Donahue@la.gov	Cory Morgan Innovative Procurement Attorney (225) 379-1057 Cory.Morgan@la.gov



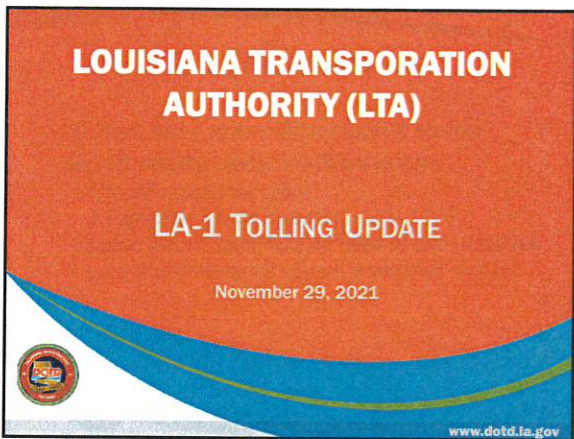
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Louisiana Transportation Authority
Board of Directors Orientation
November 29, 2021

QUESTIONS?



www.dotd.la.gov







LA 1 Toll Collection

➤ Upcoming Activities


- Outreach
 - Public engagement
 - Communicate new rates
 - Revenue neutral
- Establish new toll rates for vehicle classes and invoiced transactions
- Toll plaza construction
 - Interim construction post-Ida
 - Final construction in 2023 to install new toll system
- Transition Operations to Plenary



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Louisiana Transportation Authority
Board of Directors Orientation
November 29, 2021

QUESTIONS?



www.dotd.la.gov

LOUISIANA TRANSPORTATION AUTHORITY

PUBLIC MEETING
HELD ON MONDAY, NOVEMBER 29, 2021
AT THE STATE CAPITOL BUILDING
JOHN J. HAINKEL, JR. ROOM
900 NORTH THIRD STREET
BATON ROUGE, LOUISIANA

ORIGINAL

REPORTED BY: KELLY S. PERRIN, C.C.R.

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I N D E X

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1 APPEARANCES:
2 MEMBERS:
3 CHAIRMAN REPRESENTATIVE MARK WRIGHT
4 JASON P. AMATO
5 SENATOR PATRICK P. "PAGE" CORTEZ
6 COMMISSIONER JOHN "JAY" DARDENNE
7 CHRISTOPHER MATTHEW JOHNS
8 CHALIN O. "COP" PEREZ, JR.
9 SENATOR PATRICK MCMATH
10 BRAD LAMBERT
11 DOTD SECRETARY SHAWN D. WILSON, PH.D
12 ALSO APPEARING:
13 BARRY KEELING, UNDERSECRETARY, DOTD
14 DEIDRE ROBERT, EXECUTIVE COUNSEL, DOTD
15 JENNIFER WALKER, SECRETARY, DOTD
16
17 Reported by:
18 Kelly S. Perrin, Certified Court Reporter
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P R O C E E D I N G S

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CHAIRMAN WRIGHT:

Okay. Good morning, everybody. I appreciate your patience this morning. Everybody can take their seats so we can begin if you haven't.

Today is Monday, November 29th, 2021. And this is the hearing of the Louisiana Transportation Authority.

Madam Secretary, please call the roll.

MS. WALKER:

Good morning, everyone. If you will please respond to your name?

Representative Wright?

CHAIRMAN WRIGHT:

Here.

MS. WALKER:

Senator McMath?

SENATOR MCMATH:

Here.

MS. WALKER:

Mr. Amato?

MR. AMATO:

Here.

MS. WALKER:

1 President Cortez?

2 PRESIDENT CORTEZ:

3 Here.

4 MS. WALKER:

5 Commissioner Dardenne?

6 COMMISSIONER DARDENNE:

7 Here.

8 MS. WALKER:

9 Mr. Johns?

10 MR. JOHNS:

11 Here.

12 MS. WALKER:

13 Mr. Lambert?

14 MR. LAMBERT:

15 Here.

16 MS. WALKER:

17 Mr. Perez?

18 MR. PEREZ:

19 Here.

20 MS. WALKER:

21 And Dr. Wilson?

22 SECRETARY WILSON:

23 Here.

24 MS. WALKER:

25 Thank you.

1 CHAIRMAN WRIGHT:

2 Okay. We have a quorum. Do we have a
3 motion to approve the June 8th, 2021 minutes?
4 We have a motion from Senate President. All
5 right. Those minutes are approved.

6 And the first agenda Item is the Board
7 Orientation. And we will turn it over to
8 Secretary Wilson.

9 SECRETARY WILSON:

10 Good morning, Members of the Committee
11 and the general public. It's not that often
12 we've had a -- good morning. It's not that
13 often that we have a full complement of
14 everybody here, so we thought this would be a
15 good time, particularly, with new
16 Chairmanships and new representation from LED
17 to do a public orientation for LTA. And so we
18 will try and run through this pretty quickly
19 and not to burden all of the previous Members
20 but just do a refresher. And this is not just
21 for our purposes, but it's also for the public
22 to understand what this Body does. We will be
23 available if any individual Member would like
24 to have further discussions around the content
25 of what these responsibilities are and share

1 them in that process.

2 If you look in your packet, you have two
3 presentations that I'll be giving. The first
4 is on the orientation, and this is the first
5 one. It talks about the Board of Directors
6 for the Louisiana Transportation Authority.

7 Joining us at the table is Deidre Robert,
8 who is the Executive Counsel for the
9 Department and also serves as kind of the
10 primary point of contact for the Legislative
11 responsibilities of LTA.

12 So if you follow us on the
13 presentation -- you want me to do it or you're
14 going to do it?

15 MS. ROBERT:

16 No, you can do it. We have the power
17 point up, Mr. Secretary.

18 SECRETARY WILSON:

19 The power point, okay.

20 MS. ROBERT:

21 Yes. Thank you.

22 SECRETARY WILSON:

23 Thank you.

24 So, on the third slide, it talks about
25 background. And you should know that this

1 Body was created by the Legislature in 2001.
2 And it was in tandem with the establishment of
3 the efforts to do the Louisiana's LA1 bridge
4 down in Golden Meadow. It resides within the
5 Department of Transportation according to
6 statutes.

7 The quick facts about this entity for the
8 general public on slide four is that it's
9 domiciled here in East Baton Rouge. It has
10 statewide jurisdiction. It's got nine
11 directors. And the current version of the
12 bylaws were adopted on May 26th, 2005. We
13 have made modifications depending on needs for
14 projects as they develop. We elect a Chairman
15 and a Vice Chairman from the Senators and the
16 State Reps that are represented.

17 And, historically, the Secretary was the
18 Chairman, but that was changed to make the
19 Secretary the Secretary-Treasurer of this
20 Board as a responsibility of the Department.
21 We use, as our official journal, the Advocate,
22 here in Baton Rouge. And the majority of
23 Directors constitute a quorum.

24 The purpose of LTA is to pursue
25 alternative innovative funding sources

1 including, but not limited to, public-private
2 partnerships, tolls, unclaimed property bonds
3 to supplement public revenue sources, and to
4 improve the Louisiana's Transportation System.
5 It's also to encourage investment in the State
6 of Louisiana by private entities to facilitate
7 to the greatest extent feasible the financing
8 development and operation of transportation
9 facilities.

10 I will tell you, prior to the Department
11 changing the laws, we operated basically with
12 just one project, but it does not preclude
13 other projects from coming to this Body. You
14 may remember the discussion of the BUMP, which
15 was a bypass around Baton Rouge. That was
16 considered and was disposed of with this Body
17 or by this Body for various engineering and
18 technical reasons and financial reasons. And
19 so for the general public and Members, if
20 their public-private partnership opportunities
21 or other innovative delivery opportunities,
22 whether it's transportation services contracts
23 or others that you deem appropriate to pursue,
24 we should have those conversations as we have
25 in the past on other potential projects.

1 Regarding the Board leadership, I am the
2 Secretary and the Secretary-Treasurer. We've
3 got the Governor's representative, which is
4 the Commissioner of Administration, Jay
5 Dardenne; the Senate President, who has opted
6 to continue to serve having served as Chairman
7 of Transportation. So we appreciate that
8 continuity. Representing the Speaker of the
9 House is Mr. Amato. The current Chairmen of
10 Transportation are identified as Members by
11 statute, and that's Senator McMath and
12 Representative Wright. And then, you should
13 also know that the House and Senate
14 Transportation Chairs alternate as LTA
15 Chairmen on a two-year rotating basis. That's
16 not always easy to track because we do have
17 some other responsibilities that they
18 alternate as well, and they try to do them in
19 tandem on opposite ends. But that is the
20 statute requirement for them to alternate
21 leadership.

22 Because this is about, ultimately,
23 investment in the state, we have LED
24 represented by Brad Lambert. The Governor has
25 an appointee from the Planning Council of

1 Louisiana and those represent the MPO's from
2 around the state, and that's Matt Johns. And
3 then, we also have a business and industry
4 representative appointed by the Governor, and
5 that's Cop Perez to my right.

6 So what is the responsibility of the
7 Board? Well, we are responsible for adhering
8 to the State's Code of Ethics. And everyone
9 here should have completed the annual
10 financial disclosure Tier 2.1. Some of us may
11 have higher standards that we have to comply
12 with, but that is the basis for membership on
13 this Board. All of our meetings are subject
14 to Open Meetings Laws as well as Public
15 Records Laws. It's important to acknowledge
16 here that, as a best practice for
17 public-private partnerships, during
18 procurement, many of those documents are
19 protected until the project is effected as an
20 agreement or it is removed or canceled as a
21 project that we pursue. That is not to hide
22 from the public as much as it is to give the
23 state the advantage of negotiating and working
24 and then making all of that available to
25 public perception and appearance of that

1 information.

2 The Directors that are appointed by the
3 Governor are also Senate-confirmed. They do
4 take an oath of office that's administered by
5 our Executive Counsel. And they serve until
6 the Successor is appointed. And like many
7 Boards, and we've not had this issue occur,
8 that they could be removed for cause as well,
9 and that speaks to the appointed Members of
10 the Body.

11 With regards to the powers and authority
12 of this LTA, you should know that the LTA does
13 not operate with any staff other than an
14 extension of a relationship to the Department
15 of Transportation. And we have agreements to
16 manage applications and things of that nature
17 that come before this Body. But we are
18 responsible for planning, constructing,
19 reconstructing, maintaining, improving,
20 operating, owning or leasing projects, and pay
21 any costs associated with those particular
22 projects.

23 It's important to have prior express
24 written concurrence from the Department of --
25 the Transportation Department. Meaning, as we

1 pursue projects, we actually have to allocate
2 that staff to that project. And so,
3 typically, the Department authorizes
4 activities on all those projects and just have
5 to factor that into our regular program of
6 work.

7 The project must be part of DOTD's
8 Approved Transportation Plan. That's
9 important to note that we have a statewide
10 transportation plan. We are in the process of
11 updating that master plan as we speak. And if
12 projects are not listed in that transportation
13 plan, there's a process by changing that or to
14 amend that at the next update. You should
15 know that that's one of the pieces of
16 Legislation that we alter and the Senate
17 President, then Chairman, helped assure that
18 all of these authorities were aligned with the
19 state's transportation project so that we
20 didn't spend money and time pursuing projects
21 that were not identified as a state priority.
22 So we appreciate the focus that that gave us.

23 We also have to do feasible studies
24 required to a project being initiated. And
25 that basically allows us to do the same type

1 of assessment, generic costs perceptions,
2 traffic impacts, just an overall feasibility
3 to say if something is feasible and whether or
4 not it should be pursued.

5 Following those, we have the ability to
6 exercise the power of eminent domain. We
7 regulate speed limits on tollways. We employ
8 consultants, attorneys, engineers,
9 accountants, superintendents, and managers for
10 the project that we currently are operating.
11 That's all done within the Department of
12 Transportation. And then we perform all acts
13 necessary to execute the powers granted to the
14 LTA bylaw.

15 And you should also know that -- I think
16 I skipped a slide, so let me go back to that
17 slide. Yeah, I skipped three slides. I'm
18 sorry. I missed the opportunity for LTA to be
19 sued and can sue for different activities that
20 might acquire -- I'm on slide 15, Deidre.

21 MS. ROBERT:

22 Got it.

23 SECRETARY WILSON:

24 Okay. We also acquire and hold lease and
25 dispose of real and personal property. We

1 establish control of access for our projects.
2 That's to ensure their financial and
3 operational success. We exercise eminent
4 domain, as we've said. We relocate parish and
5 municipal roads as in the case of LA1. That
6 is replacing a state road. And we authorize
7 agents to enter upon land for site surveys.
8 And so I skipped that slide when I talked
9 about our authority.

10 Let's get back into the specifics of
11 public-private partnerships. LTA is
12 authorized to enter into public-private
13 partnerships and agreements for construction
14 or for a qualifying transportation facility
15 project.

16 And what is the transportation facility?
17 It's a highway limited access facility. It
18 can be a ferry, airport, mass transit rail or
19 port facility. A similar facility can be used
20 for transportation of people, goods, and
21 together with any buildings, structures,
22 parking areas, and other features necessary to
23 operate such a facility with its stated
24 purpose. And so it's a broad piece of
25 authority. You should know about 27 states,

1 if I'm not mistaken, have the authority in
2 some form or fashion to do infrastructure
3 public-private partnerships. And our laws are
4 modeled on some of the best practices that are
5 used around the Country. And we have
6 exercised that law.

7 LTA is also authorized to enter into
8 public-private partnership agreements for
9 transportation services. I think a simple way
10 of understanding what a transportation service
11 is, is it is something that we are going to
12 pay for as a matter of operations and not
13 necessarily something that is going to
14 generate a profit or create enough revenue to
15 reduce the operating costs. It's really about
16 efficiency.

17 And so we attempted to use transportation
18 services contract for the HOV lanes on I12,
19 recognizing that that was always going to be a
20 subsidized service used based on traffic
21 demand. Service contracts may provide for a
22 service payment to the private entity and
23 other considerations as the authority may deem
24 appropriate.

25 So one would assume that our ferry

1 contract that the state has, while it's not
2 owned by LTA, we've got a contract with the
3 Regional Transit Authority to operate ferries.
4 That's another example of a transportation
5 services type contract. We actually pay for
6 that on an annual basis and reap significant
7 benefits for not having it within the state's
8 authority; not just financial, but operational
9 benefits accrue as well.

10 Typical procurement requirements do not
11 apply to P3 projects. And did I skip another
12 slide? Okay. I'm on a roll. Any questions
13 thus far while I'm talking, because I don't
14 want to just be the talking head?

15 Okay. If there are no questions, I'll go
16 back to slide 20.

17 Prior to approving a public-private
18 partnership project, we must submit a
19 proposal, or LTA must submit a proposal to the
20 House and Senate Transportation Committees.
21 The Committees and their Chairs have 30 days
22 to call a public meeting after receiving that
23 proposal from the Transportation Authority.
24 This is an important connection both that the
25 department follows as well as LTA to make sure

1 that there's consistency with the statewide
2 transportation plan. This may be initiated by
3 private entities or LTA, which means, this
4 Body has the ability to solicit or to receive
5 what's called an unsolicited proposal, which
6 means a private entity can propose an idea to
7 us that's consistent with our rules and within
8 our state transportation plan and LTA can
9 assume the responsibility to pursue that
10 proposal.

11 The state does not have the ability to do
12 unsolicited proposals. We only do solicited
13 proposals, which means we have to use a
14 project that we are soliciting the public as
15 opposed to allowing the public to produce
16 options for us. As we said, the typical
17 procurement does not follow all of P3
18 projects. Procurement process may include
19 provisions for competitive negotiations and
20 sealed bidding. It's important, I think, to
21 recognize that of the thousands of projects
22 that we've let, only one has been a
23 public-private partnership. We attempted a
24 second one that did not receive any bidders.
25 And then, we did a third transportation

1 services contract. So it's a very, very
2 small, very niche, very unique environment to
3 do public-private partnerships.

4 LTA is not required to select proposals
5 with the lowest price but may consider price
6 as one of the factors in evaluating proposals.
7 Again, this speaks to more than just the
8 low-bid approach to infrastructure. For
9 unsolicited proposals after a public hearing,
10 LTA determines whether a proposal should be
11 considered. Staff will review the proposal to
12 determine if the project serves a public
13 purpose. And by staff, they're referring to
14 the Department of Transportation where we do
15 that feasibility study and then submit it for
16 your approval at this Body. We present that
17 proposal to the LTA for your decision. And
18 then proposals, serving a public purpose, are
19 submitted to the House and Senate
20 Transportation Committees, which is the
21 standard process for developing those
22 projects.

23 The public purpose analysis includes a
24 public need for the facility. And plan for
25 operations is reasonable and compatible with

1 state local plans. The cost is reasonable and
2 the proposal will result in a timely
3 development or more efficient operations.

4 And do we want to stop for a question?

5 CHAIRMAN WRIGHT:

6 President Cortez?

7 PRESIDENT CORTEZ:

8 Thank you, Mr. Chairman. As you're going
9 through this, it's just popping up in my head
10 that you may want to build into this, what, if
11 any, part LTA might play given the Federal
12 Infrastructure Bill that passed with all of
13 the options for proposals and so forth, if a
14 third party out there thought that they could
15 enhance the state's infrastructure by a
16 competitive bid process, or what would LTA,
17 what type of part could LTA play in that?

18 SECRETARY WILSON:

19 Good question.

20 PRESIDENT CORTEZ:

21 Thank you.

22 SECRETARY WILSON:

23 Good question. That was not in our
24 presentation. But after we finish a couple of
25 more slides, we'll address that and provide

1 some feedback.

2 So after public hearing, LTA determines
3 whether a proposal is considered. If the
4 proposal is approved, we advertise receipt of
5 the unsolicited proposal. And then you accept
6 competing proposals for 90 days. And so here
7 is where you have an opportunity for fair
8 competition. If we accept that proposal,
9 other developers or bidders have an
10 opportunity to submit a similar proposal.
11 While we don't publish the proposal in its
12 entirety, we do publish enough for other
13 proposers to consider and submit proposals for
14 our consideration. All those proposals are
15 evaluated and a recommendation is provided to
16 LTA.

17 So it's important for the public to know
18 just because someone solicits an unsolicited
19 proposal doesn't guarantee that that entity is
20 the ultimate developer who bids that project.
21 Once they submit it, it becomes, if you will,
22 a product of the state, and then we go for a
23 competitive process after that.

24 The next slide, please. Once the details
25 have been finalized, you develop what's called

1 a comprehensive agreement for the project
2 where it is executed. The terms and
3 conditions appearing in the comprehensive
4 agreement will govern implementation and
5 operation of a P3 project. It's important to
6 note that we actually planned this out for the
7 duration of the concession. So if it's a
8 20-year, 30-year, 40-year concession, you
9 actually outline all of those specifics of the
10 project, how it's operated, maintained, and
11 how it comes back to the Department or to the
12 state. And you should know that we protect
13 the state's interest by making sure we don't
14 just get a 30-year-old bridge built into; it's
15 the rehab and other efficiencies and
16 improvements made to the infrastructure before
17 it comes back to us.

18 The LTA may request proposals from
19 private entities to develop and operate a
20 transportation facility. This is under
21 solicited proposals. We may charge a
22 reasonable fee to review and evaluate those
23 proposals. And so whenever we receive either
24 of these proposals, there's a fee associated
25 with it for the evaluation. It does not cover

1 the cost of that evaluation. It's more of a
2 good-faith commitment from the private sector.
3 And it's held in Trust. And if it's not used,
4 it's returned back to the developer. So it's
5 not a way for developers just to make
6 donations to the state. Upon receipt, we send
7 solicited proposals to the House and Senate
8 Transportation Committee for a public hearing.
9 LTA receives public comments from the
10 Committees and decides whether to pursue the
11 project; very similar to what happens in an
12 unsolicited proposal once it arrives.

13 If LTA decides to pursue the project, a
14 Preliminary Development Agreement, also known
15 as a PDA, outlining responsibilities for the
16 project will be executed. And then after a
17 final project details have been determined, a
18 comprehensive agreement for the project and
19 its implementation and operations is to be
20 executed. LTA must approve those provisions
21 of a comprehensive agreement prior to its
22 execution.

23 And then regarding intellectual property
24 protection, LTA shall take the appropriate
25 action to protect trade secrets and other

1 confidential, privileged, and proprietary
2 information received from a private entity,
3 including but not limited to information
4 exempt from disclosure under Federal Freedom
5 of Information Act or Louisiana Public Records
6 Law. For example, algorithms for tolling,
7 there's some proprietary elements that come to
8 us as a part of these proposals; and because
9 it's a business element, they are protected
10 from FOIA or public records here in Louisiana.
11 And that is not uncommon around the Country.
12 LTA may enter into confidentiality agreements
13 to protect the private entity's proprietary
14 information and intellectual property.

15 And just so that you know, the developers
16 are very keen on what goes public before
17 because it will affect all of their bid
18 opportunities here and abroad. And this is a
19 global economy of developers, if you will. So
20 they are very small. It's a very small field
21 and they follow each other pretty, pretty
22 closely. So that's an important element to
23 any of these P3s.

24 For guidelines, you should know that LTA
25 has adopted publicly-available guidelines to

1 enable private entities to comply with
2 statutory requirements. These guidelines
3 include criteria for projects, descriptions of
4 solicited or unsolicited proposals,
5 processors, how we select from the competing
6 proposals, and a description of the provisions
7 to be included within a comprehensive
8 agreement. The nature of that process of
9 developing a comprehensive agreement is a back
10 and forth with the private sector. So it is
11 not a concrete document that we establish
12 without the input of the private sector or the
13 public. And so it is a fluent document, which
14 is why you have these various stages of public
15 disclosure of that information as we go
16 through the process.

17 The comprehensive agreement, that's the
18 governing document that becomes our contract.
19 It includes LTA's approval of plans and
20 specifications, the inspection of
21 construction, monitoring and maintenance
22 practices, reimbursement for services
23 rendered, filing the financial statements,
24 dates of termination. And this is just a very
25 brief list of things that are included in that

1 agreement. It's a very detailed document,
2 hundreds, if not thousands of pages long
3 that's been combed over several times by
4 attorneys from all different walks of the
5 community.

6 Until 2016, LTA was the only entity
7 authorized to pursue P3s for transportation
8 facilities. 519 of the 2016 Legislative
9 session authorized DOTD to solicit P3s without
10 involvement of LTA and LTA's involvement is
11 required for consideration of unsolicited
12 proposals. That is the change that -- the
13 most significant change because it allowed us
14 to eventually start to develop projects that
15 can pursue this path as opposed to waiting for
16 a project or a development team to proceed.

17 And then, the existing LTA project, the
18 tollway connecting Golden Meadow at Port
19 Fourchon opened in 2009. It's the only
20 project today, if you remember, this LTA was
21 created to pursue TIFIA and other financial
22 obligations to build this project beginning in
23 2001. And we have recently let the second
24 phase of that project, and it came in at \$514
25 million. That's above our estimate, but it

1 could have been worse. So we're excited to
2 see such a magnificent and big project
3 actually get underway.

4 On the screen there, you have contacts,
5 yourself, myself as the Secretary. Peggy
6 Paine is the current Innovative Procurement
7 Program Manager. We actually created an
8 office in the Department to deal with design
9 build, P3s, Construction Manager At Risk.
10 We've got two attorneys. Joe Donahue and Cory
11 Morgan are our attorneys because this is a
12 very legal process, both in terms of the
13 development and execution of the comprehensive
14 agreement. And then, kind of pulling it all
15 together for the Department, it's all falling
16 under the Executive Counsel's responsibility
17 because of aspects of what happens with the
18 Legislature.

19 That's a quick orientation. There's a
20 lot of detail that can go behind or with these
21 documents.

22 I would now comment on the question the
23 President asked about IIJA and the potential
24 role of LTA. In IIJA, there are hundreds of
25 millions, if not billions of dollars that the

1 state is eligible to receive in a competitive
2 environment but also in a formulated
3 environment. We're going to see about
4 \$6 billion of Formula funds over the next five
5 years. That includes about a billion dollars
6 for bridges, about \$4.8 billion for our
7 regular program. And that's important to note
8 that our regular program is what we've
9 received over the previous five years. Those
10 dollars actually expired and went to zero.
11 And so we got that \$4.8 billion as a part of
12 this package.

13 There are other programs, whether it's EV
14 charging facilities, resilience, broadband,
15 some other special projects that are
16 available. The biggest pot of money is going
17 to be on the competitive side. That's where
18 you see upwards of \$25 billion for projects
19 that cover basically all of the modes of
20 transportation that LTA is charged with
21 implementing.

22 And so the question begs, how does LTA
23 participate? I think this is an ideal
24 opportunity for LTA to take some ownership in
25 some projects that this Body deems as

1 appropriate to pursue in the competitive
2 realm, whether that is mega projects, whether
3 it's port development, whether it's passenger
4 rail, whether it's other broadband initiatives
5 that can engage perhaps the private sector
6 using assets of the state that we can
7 leverage.

8 Now, the challenge is really waiting on
9 the promulgation of rules. And that typically
10 means we won't see most of these rules for the
11 new money pretty much until February, March is
12 what we think. The 4.8 billion in Formula
13 dollars will follow the existing regulatory
14 established rules or legally established
15 rules. So that's going to be pretty much
16 status quo. But the big dollars are going to
17 be competitive, and they will require some
18 public engagement. They'll require some
19 additional match and some vision, I think, to
20 try and align projects that are consistent
21 with the policies advanced by the
22 Administration.

23 And so we are watching that process very
24 closely. We have success and have proven
25 success in competitive grants for projects

1 that are not just shovel ready, but projects
2 that are shovel worthy. There are going to be
3 some projects that are not necessarily in that
4 shovel ready stage that are shovel worthy that
5 LTA can pursue, if it so desires.

6 I would then call your attention to
7 looking at our Highway Transportation Plan to
8 make sure that the projects are consistent
9 with those because those are the projects that
10 have either gone through feasibility or are in
11 some phase of development; things like a new
12 bridge in Baton Rouge, things like passenger
13 rail. There are projects that have already
14 started that feasibility and planning and
15 development process. Those are going to be
16 much more available, I think, to experience
17 success than those that we have not advanced
18 as of yet.

19 So subject to any final rules and
20 regulations, there's nothing that precludes
21 this Body from submitting for any of those
22 grants that we're aware of. And so we've had
23 conversations nationally, and we'll be doing
24 so again tomorrow and most of this week, with
25 the National Governors Association and other

1 transportation leaders learning as much as we
2 can about this process.

3 CHAIRMAN WRIGHT:

4 Thank you. President Cortez?

5 PRESIDENT CORTEZ:

6 Thank you again, Mr. Chairman. So I want
7 to make sure that we say this on the record
8 because I think it's misleading what is
9 happening. I know you and I have had this
10 conversation, but for the people here, this
11 talk about six or seven billion dollars coming
12 down to Louisiana, in order to understand that
13 in context, we've had Federal dollars coming
14 down to Louisiana going backwards every year.
15 To the tune of each year, we would get about
16 six, seven hundred million dollars from the
17 Feds. Well, if you take 700 million times
18 five years, that's \$3.5 billion that they
19 brought that down to zero. So when you say
20 you're getting \$6 billion, it's not six
21 billion on top of what you were getting over
22 the past five years, it's that's what you're
23 getting.

24 So, effectively, for roads -- and the
25 reason I say this, I think we have some

1 challenges ahead of us, specifically, the two
2 guys to my left here, is the education of the
3 public in every meeting for the public to
4 understand that the set expectations that
5 you're not getting an additional \$7 billion to
6 what was already your budget. What I keep
7 hearing, of course, you know, and we happen to
8 all live along the 10/12 corridor, you know,
9 the Calcasieu bridge in Lake Charles, you
10 know, that's potentially a billion-dollar
11 project, you know, the connector through
12 Lafayette, the I49 is about a billion dollars.
13 The new bridge in Baton Rouge is probably
14 roughly a 2-billion-dollar, maybe plus,
15 bridge. And then to finish out, you know, all
16 the way to the Mississippi line, you know, you
17 could maybe throw another billion dollars at
18 it. So what the conversation is, well, that's
19 four billion, you've got plenty, you've got
20 three billion left over. You can do all of
21 those projects and still have money left over.
22 Well, the expectation is, no, we can't. We
23 only have an additional, maybe, one billion
24 over a five-year period. And that's, you
25 know, absent of reallocations that we might be

1 able to come over and these opportunities to
2 apply for competitive grants.

3 And so our opportunity really is on the
4 competitive side, I believe. And,
5 Mr. Secretary, I just want to make sure that
6 we spend our time educating the public and
7 educating our constituents that we're not
8 getting \$7 billion worth of manna from heaven
9 for roads. It's an additional sum of money,
10 yes, and we're very appreciative, but we have
11 to be very judicious in how we go about
12 utilizing that. And we do have, thanks to the
13 years of work of setting the priorities,
14 certainly in the mega project priority list,
15 but also in the priority road program that
16 we've all worked on over the years.

17 So that's my comment, is that, we really,
18 our job over the next year, is probably
19 education and setting expectations such that
20 they're not -- that people aren't jumping to
21 conclusions because you're probably getting
22 from your Parish President and from your
23 Mayors that you just got all this money, we've
24 got a ton of projects you can fix. Then you
25 add to that, the number of contracts and

1 contractors in the State of Louisiana and the
2 amount of business that they've been able to
3 acquire, the supply chain issue that has
4 increased each project just on the cost side.
5 Again, what can a billion dollars buy you?
6 Well, it can't buy you nearly as much as it
7 once could buy you, and you might have time
8 working against you because of just the
9 delivery of goods.

10 So, with that, I'm going to stop and just
11 say that I think we have some challenges, you
12 know, some of which are just explaining what
13 the infrastructure in fact does. So thank
14 you, Mr. Chairman.

15 CHAIRMAN WRIGHT:

16 Thank you, Mr. President.

17 Commissioner Dardenne?

18 COMMISSIONER DARDENNE:

19 Thank you, Mr. Chairman. And,
20 Mr. President, right on point. That's exactly
21 what we're hearing and what the public needs
22 to understand. I agree completely. Shawn,
23 the 4.8 in our regular program is going to
24 require a match; right? For everything we do
25 is going to require a match. So that's the

1 other adjunct to the present comments is we've
2 got to recognize that no matter how ambitious
3 we may be, the Legislature is going to have to
4 find the funding to make that happen. And the
5 Legislature has already identified some
6 potential pots of some money that's been put
7 away. But it's going to be a significant
8 undertaking to take advantage of the Formula
9 dollars we get, not to mention what we may get
10 in competitive projects.

11 Now, I'm assuming, we haven't seen the
12 rules, but there will also be a match
13 component to the competitive projects as well.
14 And so the big-dollar projects that are
15 potentially the beneficiary of our competitive
16 project is also going to require finding some
17 source of money from the state. And that may
18 very well trigger something that this
19 Commission can do if we're talking about
20 tolling, we're talking about public-private
21 partnerships that may really lend themselves
22 to making those big projects like the two
23 bridges that were mentioned in completion of
24 49 a reality.

25 CHAIRMAN WRIGHT:

1 Secretary Wilson?

2 SECRETARY WILSON:

3 So I would agree with both statements
4 that have been made. You know, we have been
5 very clear as to what the rules of engagement
6 were around the Bill. Unfortunately, I think
7 the messaging got away from us out of a desire
8 to pass something because we haven't had a
9 Bill of this magnitude probably since
10 Eisenhower. And so you are correct,
11 Mr. President, that this is going to produce
12 about \$200 million a year extra. But what
13 people don't always realize is when the Feds
14 provide these dollars, they provide the rules
15 that govern them. So we don't have carte
16 blanche over this 200 million.

17 Of that 200 million, some will have to go
18 to MVO, some will go on interstate, some will
19 go on non-interstates, some will go on EV
20 charging, some will go on resilience. We're
21 prepared to put projects forward that fit all
22 of those criteria because of our Highway
23 Priority Program, which has really served us
24 well. The challenge becomes, how do you deal
25 with these big mega projects? When you think

1 about that billion dollars, which is going to
2 be a lion's share of that 200 million that
3 we're going to get extra, that's based on need
4 for existing bridges. That's not something we
5 ask for. We submit on a regular basis or an
6 annual basis a bridge inventory that talks
7 about the status of our bridges, the volume of
8 our bridges, the age, the condition. That's a
9 formula that was used to produce a number
10 which means we got more than our fair share of
11 bridge money because we've got more than our
12 fair share of bridge problems.

13 And so for us to massage that and use it
14 outside of that guideline is going to be
15 important. So we're happy to help educate and
16 provide you presentations that we've put
17 together that we've been sharing as well as
18 information around the needs. And we are
19 trying to influence -- one of the principles
20 of AASHTO is give us as much flexibility as
21 possible for these dollars. And so we are
22 trying to influence that process to allow
23 state priorities to be applied to these
24 dollars. I don't know how successful we're
25 going to be, but the Governor is very

1 committed to that. I'm very committed to
2 that. And we've already been working as an
3 Administration to influence that outcome.

4 Then the last thing I will say that we
5 need to think about is inflation -- or the
6 second to last thing -- is that inflation is
7 real. We had two projects in our last letting
8 that came in at 49 and 50 percent above the
9 estimate. Naturally, we rejected those -- or
10 will be rejecting those bids for some
11 readvertisement. But the more we have those
12 bids come in, the harder it's going to be to
13 deliver everything that's on the list. And
14 so, unfortunately, the way that works is
15 whatever was at the end of the line is
16 probably going to get cut back.

17 And we'll talk about that process a
18 little bit in the Transportation Committees,
19 I'm sure. But we're going to have to peel
20 back at the end of the year to not slow down
21 work, because what I'm also concerned about is
22 our contractors going to other states to do
23 work, which makes it more expensive for them
24 to come back here and do work. And so it is a
25 balancing act.

1 And the last, last thing is, as the
2 Commissioner mentioned match, we're expecting
3 about a 52 million-dollar increase above the
4 shortage that we have today. So we are
5 currently relying on surplus and Capital
6 Outlay. This Administration and this
7 Legislature has been more than generous with
8 regards to infrastructure dollars. So we are
9 appreciative of that. But the reality is,
10 we're going to have to need an additional \$52
11 million.

12 And one of the things that we want to
13 pursue is making sure that we align vehicle
14 sales tax dollars with these Federal dollars
15 that are eligible because those dollars can
16 serve as match. Additionally, if you get into
17 user fees, public-private partnerships,
18 private investment, those dollars also qualify
19 as match. And so I would encourage all of us
20 to think about it, not just in terms of a type
21 of project, but the way the money is being
22 allocated is by mode.

23 So we can do really well in rail. We can
24 do really well in ports. We can do really
25 well in aviation or maritime and in highways

1 and bridges if we're strategic around using
2 that match and pursuing projects. So thank
3 you both for the comment. And I'm more than
4 happy to engage with you after this meeting to
5 help in some public education around this
6 issue.

7 CHAIRMAN WRIGHT:

8 Commissioner Dardenne?

9 COMMISSIONER DARDENNE:

10 Shawn, one process question, what is the
11 role of the LTA in the determination of what
12 projects the state may apply for in this
13 competitive grant? In other words, if the
14 state decided we want to go after a
15 competitive grant to start the bridge in Baton
16 Rouge, will the LTA be on the front end of
17 making that recommendation or would we be
18 involved if and when the grant is awarded?

19 I'm just trying to understand, and then
20 the Legislature understand, who is going to
21 make a determination of how we proceed and
22 recognizing that there's going to be some
23 match commitment? What if we apply for a
24 grant and we get it and we don't have the
25 match dollars to do it?

1 SECRETARY WILSON:

2 Well, if we apply for a grant and we
3 don't have the match and we get it, we lose
4 the grant, or we're forcing ourselves into
5 delivering it. And that's usually where we
6 found ourselves was making a commitment based
7 on our need and interest, and if we're
8 successful, we use it; if not, use those
9 dollars elsewhere. I think the process for
10 choosing which projects we have, it's a
11 collaborative process. And so I dare not say
12 this exclusively LTA, but LTA does have the
13 authority to pursue grants independent of the
14 state because you're an official Body.

15 I would tell you that, for major
16 projects, we've seen the success and failure
17 and the differences the investment of the
18 state Department of Transportation, whichever
19 state it is, is involved in that process
20 because it has to do with project readiness,
21 it has to do with engineering elements,
22 feasibility. And I think we will have a
23 collective conversation because we've got our
24 statewide master plan, because we've got our
25 Highway Priority Program that both our

1 Chairman of Transportation, and of course the
2 Speaker and the President are aware of those.
3 I don't assume, nor do I believe that this
4 Body would be ignored in terms of those
5 priorities.

6 I also know that it's a very competitive
7 pot and we have to not compete against
8 ourselves sometimes. So we have taken very
9 firm positions as a department that we're
10 applying for this one grant and not do three
11 applications in that one process; because if
12 you've got three number one priorities, none
13 of them get done. Our success is when we've
14 applied, like for LA1, I12, Belle Chasse, I10,
15 all of these projects were strategically done.
16 And so we're committed to working with all of
17 our stakeholders, particularly, if it's going
18 to be a public-private partnership. I think
19 this Body has a role and it has a role because
20 you can do predevelopment agreements. You can
21 do a comprehensive agreement type of P3, which
22 sets in place success in the future.

23 I don't envision, while we don't know
24 what the overall future is going to be like,
25 we know what the next five years look like in

1 terms of funding. And so I very rarely see
2 the Federal Government shrink once they make
3 these types of investments. And so I think
4 building on that success is going to be
5 important. So it's not in the vacuum. It
6 will be done collaboratively, both with
7 project readiness and the priorities where we
8 think we can be the most successful, I think.

9 CHAIRMAN WRIGHT:

10 President Cortez?

11 PRESIDENT CORTEZ:

12 Thank you. Just a quick question. I
13 guess that's -- we've seen the use of the CMAR
14 process and vertical construction; has there
15 been a usage for the Construction Manager At
16 Risk in the horizontal roads? And if so, can
17 we, because the supply chain issues take
18 advantage of when you enter in a CMAR, you get
19 a gross maximum price so that you cannot be
20 put in the position of the design, bid, build
21 where you put it out there and it comes in at
22 50 percent above what you had maybe put in
23 your budget so we have to turn around and go
24 back out for bid; and all the while, prices
25 may be fluctuating on the market.

1 What's the upsides and the downsides to
2 potentially using CMAR as the process?

3 SECRETARY WILSON:

4 Very good observation. We have used CMAR
5 for two projects. The Comite Diversion
6 Project is one of them, and then for bridges
7 on that project. And then we're also using
8 CMAR for delivery of the widening of I10 from
9 415 to the 10/12 split. They have provided
10 really good benefits to us. We think there's
11 an opportunity to use them going forward
12 because you actually get the project started
13 both from an engineering and a construction
14 standpoint without the big spend for all of
15 the capital.

16 The one caveat just to be mindful of is
17 these dollars come with some date limitations,
18 kind of like ARP, you have to -- the American
19 Rescue Plan dollars, you have to obligate by a
20 date certain and spend by a date certain. But
21 these dollars, they just run until the five
22 years end if it's in our regular program. And
23 so we may not have all of the capacity to do
24 it, but we do use those tools at our disposal,
25 which is why we created that office of

1 innovative procurement to take advantage of
2 that.

3 And some of these projects will benefit
4 from CMAR a little differently than design
5 build; because design build, you're actually
6 going into construction basically upfront.
7 CMAR, you're not going directly into
8 construction, but the project has officially
9 started and you've got contractors, you've got
10 some certainty built in in terms of cost, but
11 you also have some certainty that you may have
12 some increase in what that maximum price is
13 going to be two years from now or a year from
14 now based on that market and economy. But
15 you're absolutely correct, that's a tool at
16 our disposal for some of these projects.

17 PRESIDENT CORTEZ:

18 But we don't lose the design integrity.

19 SECRETARY WILSON:

20 You don't. You don't because, in CMAR,
21 you're actually growing it, growing your plans
22 with the ability to build and construct it.
23 And they actually get started in that process
24 as soon as you get your first GMP, for
25 example, on I10. Once we get our GMP,

1 construction will begin. Predevelopment has
2 already begun. Real estate has already begun.
3 Design is already underway. And we will grow
4 it with our ability to pay for it.

5 PRESIDENT CORTEZ:

6 And it just seems to me that if you can
7 lock in your gross maximum price, you know,
8 you take supply chain hiccups out of the
9 equation to some degree where your costs can
10 just fluctuate. The flip side of that is it's
11 probably playing the market, you know. In two
12 years, if things -- if supply chain gets
13 better, you bought into a price that might
14 have been more than you would have otherwise
15 gotten if you could have reduced the price on
16 some things.

17 SECRETARY WILSON:

18 And the GMP typically comes, you know, it
19 doesn't come at the very beginning. So you
20 have to have your contractor on before you
21 complete 30 percent plans. You really don't
22 get your maximum price until you're well
23 into -- well beyond 60 percent plans where
24 there's some certainty.

25 So you can preorder long-pole items like

1 bridge piers and other elements. But there is
2 some way, you do mitigate some of the
3 inflation in the cost, I think, in that
4 process. But you're right, you're playing the
5 field.

6 PRESIDENT CORTEZ:

7 All right. Thank you.

8 CHAIRMAN WRIGHT:

9 Okay. Do we have any other questions or
10 comments?

11 Thank you very much, Secretary Wilson. A
12 belated congratulations on your ascension to
13 AASHTO by the way.

14 SECRETARY WILSON:

15 Couldn't be more timely.

16 CHAIRMAN WRIGHT:

17 I was about to say. Okay.

18 Let's move on to agenda Item 4B. We have
19 an update for Louisiana 1.

20 SECRETARY WILSON:

21 So --

22 CHAIRMAN WRIGHT:

23 Rookie mistake. All right.

24 SECRETARY WILSON:

25 So as we mentioned in our orientation,

1 this is the one project that the LTA actually
2 has oversight for that we manage and I'm going
3 to walk you through where we are with LA1 toll
4 collection as well as the next phase of it
5 because they're actually intersecting in a
6 positive way for the state. And so we'll jump
7 into slide number two. If we can pull that up
8 on the screen for our viewing audience?

9 DOTD signed a contract with Plenary
10 Infrastructure Belle Chasse, LLC in April of
11 2021 to operate and maintain LA1 toll
12 collection systems as a part of managing and
13 leveraging the details of the project. We see
14 some operational efficiencies with Belle
15 Chasse because it's going to be a second
16 tolling operation facility and we have back
17 office services that we would be providing.
18 So this is an effort to consolidate them and
19 there is some Legislative requirement for
20 interoperability. So there is some
21 justification for ensuring that there is some
22 integrated work happening behind the scenes
23 for tolling as it relates to projects in the
24 state and perhaps others out of the state.

25 As a part of that contract, we'll be

1 installing a modern toll collection system at
2 LA1. If you remember, shortly after, I think,
3 Secretary LeBas took over, we had some major
4 challenges because of an incomplete
5 implementation of that LA1 system. We had
6 leakage, which means there was more money not
7 being collected than it was desired. And
8 we've gotten that leakage down to, I believe,
9 less than two percent, which is pretty
10 significant compared to where it was before.
11 So we've made tremendous progress there, but
12 that is a dated system.

13 Continuing operations at the Golden
14 Meadow Customer Service Center, we were
15 spending close to five and a half million
16 dollars a year out of TTF for operating all of
17 those services. And so this is an opportunity
18 for us to privatize, if you will, the elements
19 of what's needed there for the remainder of
20 that collection period. DOTD is leveraging
21 the Belle Chasse tolling system to replace the
22 aging LA1 toll system. If we did not do this,
23 we would find ourselves, the TTF having to
24 spend several millions of dollars to upgrade
25 this system. And so we're actually going to

1 leverage because this will be the same system
2 that Plenary is purchasing for the Belle
3 Chasse Bridge Project. They will have a
4 single back office system that will be used
5 for both facilities to reduce costs. Not only
6 is it going to be a reduction of costs for the
7 state, meaning DOTD, but we also have an
8 arrangement that the Division of
9 Administration is closing the gap for unmet
10 obligations for our debt service.

11 And so this is an opportunity and I think
12 that number comes to right about five and a
13 half million dollars a year at the most, but
14 it's been averaging about three to four, Barry
15 --

16 MR. KEELING:

17 Yes, sir.

18 SECRETARY WILSON:

19 -- coming out of the Division's
20 commitment to meet the obligations for that
21 project. This will contemplate an audit,
22 electronic toll system at both facilities,
23 which means this is the predominant way
24 tolling is done everywhere else around the
25 Country. You're saving costs by not having

1 booths with people, nor taking cash because
2 it's much more expensive to operate that
3 service compared to other services. You will
4 be able to maintain high speed without
5 stopping for toll collections. There will be
6 no manual booths, improved safety at the toll
7 plaza, and invoices for customers without a
8 transponder, which is really toll-by-plate,
9 which is used in other states. If you've gone
10 to Dallas or Houston or Florida and you've
11 used some of those toll facilities, it's very
12 popular among other areas. And so the
13 technology is proven and it works.

14 The modern toll system will include a
15 shape-based vehicle classification system with
16 simplified toll rate tables. So you're going
17 to have three separate vehicle classes. The
18 same classification will be used on both of
19 our toll structures.

20 Right now, LA1 currently has eight
21 different vehicle classes. And so we are
22 consolidating it to make it a little easier
23 and a little bit more simple for the public to
24 understand as well as for us to operate and
25 more affordable. If you look at the current

1 model, you see everything from two axles, you
2 see three axles, you see four axles, five
3 axles, six axles. Each of those axles have to
4 get counted. And so it's a process with lots
5 of room for error when you go through that
6 process. If you've got an SUV with a boat or
7 a camper with a boat, you'd be in two
8 different classes. And so there are cost
9 variations for each of these classes. And so
10 we found a simple way which is a much more
11 modern way, which is basically small, medium,
12 and large. It's based on the size of your
13 vehicle.

14 Knowing that you're going to have a
15 certain number of cars, a certain number of 18
16 wheelers, and a certain number of midsized
17 trucks or vehicles that are going to be
18 passing through there, it's not counting
19 axles, it's measuring the length, width, and
20 height of the structure based on technology.
21 And so this is going to be, I think, a much
22 more efficient system than what we have.

23 Regarding some upcoming activities
24 related to this transition, we're going to be
25 establishing new toll rates for vehicle

1 classes and invoice transactions. Our goal is
2 to simply break even. We are not proposing
3 any increases in terms of gross revenue; but
4 remember, you're consolidating eight different
5 groups into three classifications. We expect
6 there to be some -- one off or two off, folks
7 who might have a slightly more or slightly
8 higher rate.

9 And then you have others that will have a
10 slightly lower rate depending on the makeup
11 and the different fashions that are there. If
12 we can get to the point that we are breaking
13 even, that we've never been able to do on a
14 bridge, that will be a huge success because it
15 will save the Commissioner a couple million
16 dollars for the next 20 years, which is
17 potentially going to grow.

18 We're going to be looking at toll plaza
19 construction. It's important to note that the
20 existing toll collection facility at LA1 was
21 damaged significantly and it will be a
22 significant cost to the state to go forward
23 and do that. We're looking to install new
24 tolling systems by 2023. The challenge we
25 have is having to go back and install the cash

1 collections with the existing system and
2 install the new system. It's going to be
3 almost double the costs, if not more in terms
4 of time and money, and then it will eventually
5 disappear. So we've made an administrative or
6 budget decision to say we can save money by
7 doing what we typically do in disasters, which
8 is just use the technology.

9 So we're going to continue to collect.
10 We just won't have cash collectors and it will
11 create a delay in our collection because it's
12 license plate users and the cost is de minimis
13 based on what we see coming through the toll
14 plaza and what we know we can collect during
15 that process. We've actually done
16 exceptionally well when we've gone to these
17 longterm disasters and get rid of our physical
18 toll collectors and then use just the cameras
19 and then go back and collect from those
20 individuals who have done it. It's been a
21 proven success, and we're going to implement
22 that for a much more longer term while we go
23 into the construction of the new equipment
24 that's going to be operated by our third-party
25 contractor.

1 And we're also in the process of
2 transitioning operations to Plenary. There is
3 a deadline by which they have to accept
4 operations; that includes the Customer Service
5 Center and all of the elements of customer
6 outreach. There are plans to use our existing
7 employees in other capacities at the district
8 and/or in other HOV operations at the state.

9 Outcomes or upcoming activities that the
10 public will see, we're going to engage the
11 public in terms of the new tolling structure
12 in terms of what those prices are looking like
13 for those three categories. As we create what
14 those new rates are and communicate those to
15 ensure that they're revenue neutral, we will
16 establish new toll rates for vehicle classes
17 and invoice transactions. Again, this is
18 going to be just taking the old structure,
19 adapting it into a midterm while we go into a
20 longterm tolling structure for the next
21 20-plus years when the bonds are completely
22 paid off and then it reverts back to the state
23 for free operation and maintenance.

24 The toll plaza construction, as we said,
25 post-Ida work, final construction is in 2023

1 that we will have our new system in place and
2 we will have completely transitioned to
3 Plenary in 2023.

4 And so that's an update on the LA1
5 project. We have, as I said, awarded the last
6 phase of construction for this. It came in at
7 about \$514 million. It was awarded to James
8 Construction who was involved in the first
9 phases of the project. This was the largest
10 competitive grant awarded two years ago. It
11 received \$135 million. There were, I think,
12 only 27 applications or 29 applications that
13 were funded, and we were by and far the
14 largest that year. So it's a success story.
15 It's also received BP dollars, which was
16 extremely helpful in putting up the \$150
17 million over the course of five years of
18 construction and we are receiving private
19 investment as well from the oil and gas
20 industry or the Entergy community down in
21 Golden Meadow, who also value this project.

22 None of the toll rates are really able to
23 be used on this new section. When we put the
24 tolling on this bridge, we tolled it for the
25 entire stretch at that rate. And so the new

1 rates that you're going to see are the same
2 rates you're going to have. You're just going
3 to get an additional five or six miles of
4 concrete. But we did that, apparently, to
5 make ends meet back in 2009 when the project
6 opened up to the public.

7 And unless there are any questions,
8 that's an update on LA1.

9 CHAIRMAN WRIGHT:

10 I have a couple of questions just in
11 general about the toll collection. So will
12 there be a tag similar to, you know, for
13 example, the Causeway for regular users? What
14 about those -- you know, I was just in Florida
15 a couple of weekends ago. I went through the
16 toll system down to Orlando. I know -- you
17 know, I've received invoices and not having a
18 tag in one of those toll systems and you just
19 kind of pay it by mail. Can you walk us
20 through a little bit of this?

21 SECRETARY WILSON:

22 Sure. So because we have an existing
23 toll system with an existing account system,
24 what we're going to have in the interim will
25 adapt to those tags and/or plates. So between

1 now and when we convert to the new system, you
2 will have an opportunity to continue to use
3 your tag and/or have a plate. Tolled-by-plate
4 basically is what you do in other states where
5 they take a picture of your license plate. In
6 the back office, they run the system and give
7 your information and they send you \$2.60, and
8 you have the opportunity to pay it online.
9 You can set up an account at that point if
10 you're going to be a frequent user and you
11 will then be in the system a lot more
12 efficiently, a lot more affordably.

13 Once we get to the final build out, we
14 will have transponders available that are
15 going to be provided to those regular users.
16 And so if you've got a camp or if you're a
17 frequent fisherman, or if you're a trucker and
18 you go down there quite often, you will get
19 the benefit of this transponder. It is a
20 little cheaper to have a transponder than to
21 do the plate. Because if you think about each
22 of those transactions, there is more work and
23 more things that have to be researched if we
24 don't know who you are versus if we know who
25 you are.

1 And so clearly, it's to your benefit if
2 you're going to be a frequent user to get a
3 transponder. That transponder will be
4 eligible to be used on multiple toll plazas
5 because of the agreement. So Belle Chasse and
6 Plenary will have the same exact system, but
7 there'll be a back office opportunity to work
8 with the Causeway, to work with tolling in
9 Houston or Dallas, or those adjacent states.
10 You probably won't get, you know, easily
11 implemented operability if you go to the
12 northeast corridor because it's a totally
13 different system, different regions of this
14 business of this network.

15 But here in the Gulf Coast, there should
16 be some really good inoperability for
17 operations similar to what you see in other
18 states. I mean, there's -- everything is so
19 uniform, for the most part, behind the
20 operations, behind that front door, and they
21 all work together pretty well to enforce and
22 to collect the minimal fees.

23 CHAIRMAN WRIGHT:

24 Is there any general sort of rule of
25 thumb of traditional toll collection versus

1 this electronic or, just kind of curious,
2 savings wise?

3 SECRETARY WILSON:

4 Yeah. So I will tell you, you can, you
5 know, if you're going to collect a dollar,
6 it's going to cost you probably, I want to say
7 if I remember correctly, on average 50 to 60
8 cents more to process it than if you had it
9 electronically because it will all be
10 automated and I won't have to touch it. But
11 if I have to take it with cash, you have so
12 many different stages of accountability and
13 collections. It's no different than when you
14 go to a Port, you move a container, every time
15 you move that container, there's a cost. If I
16 have to have a person in the booth, there's a
17 cost. Someone's got to hold that person
18 accountable. You still have auditing. You
19 still have expenditures associated with
20 looking up violations and fines. And so the
21 automated system is much more affordable,
22 which helps you keep your rates down as well
23 as create a much more efficient operation of
24 collections.

25 CHAIRMAN WRIGHT:

1 Thank you. Do we have any other
2 questions, comments? Okay. Thank you again,
3 Secretary Wilson.

4 We'll move on to new business. Do we
5 have any new business? I think not.

6 Any old business? Okay.

7 Other business?

8 How about public comments?

9 Mr. Amato?

10 MR. AMATO:

11 Thank you very much. I just want to
12 welcome you, Chairman Wright and Matt to the
13 Committee and all. If I step back from this
14 opportunity here, as a Parish Councilman in
15 St. James Parish, I do appreciate the
16 leadership of this team for what you're doing,
17 along with Speaker Schexnayder and of course
18 with Governor Edwards and all. You know, at
19 that level of government, there's not too many
20 people complain on how they get to see the
21 garbage street pickup or potholes and all and
22 probably some of you experience that same
23 thing as you made your way up to this level of
24 government. So it's impressive to hear what's
25 coming and looking forward to really

1 outstanding in 2022 for us. And I also
2 appreciate the opportunity to serve with each
3 one of you.

4 I know you did mention, I wanted to
5 congratulate Secretary Wilson on his election
6 as President and all and we look forward to
7 helping to set you up for success. And last
8 but not least, I of course want to wish all of
9 y'all a blessed and healthy Merry Christmas.
10 Thank you.

11 CHAIRMAN WRIGHT:

12 Thank you very much.

13 Okay. Do we have a motion for
14 adjournment? So moved, Commissioner Dardenne.
15 Any objections?

16 Hearing none, the meeting is now
17 adjourned.

18 (WHEREUPON, THE MEETING ADJOURNED.)

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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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