

THE BOND BUYER

Louisiana taps Plenary-led team for largest P3 to date

By

Caitlin Devitt

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Louisiana has tapped a consortium led by Plenary Americas as the private sector partner to negotiate a 50-year public-private partnership to replace the aging Calcasieu River bridge on Interstate 10.

Calcasieu Bridge Partners is a joint venture of Plenary Americas US Holdings, Inc., which holds a 40% equity stake, and Sacyr Infrastructure USA LLC, and Acciona Concesiones S.L., each with a 30% stake.

The Louisiana Department of Transportation and Development had invited four teams to bid on the project and received two proposals in June.



Louisiana has tapped a team for its largest and most complex public-private partnership to date, a \$2.1 billion replacement of the Calcasieu River Bridge in Lake Charles.

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The project is structured as a design-build-finance-operate-maintain and will tap toll revenue along with other funds to replace the nearly 70-year-old existing bridge, which has been deemed structurally deficient, and widen the interstate along a 5.5-mile corridor.

The \$2.1 billion Calcasieu River Bridge replacement and renovation marks Louisiana's largest and most complex P3 so far. Gov. John Bel Edwards and former Department of Transportation secretary Shawn Wilson, who is now running for governor, pushed for the project to be procured before Edwards exits the office in January.

Plenary is also the partner on the state's first major transportation P3, the Belle Chasse Bridge and Tunnel replacement, a \$162 million project approved in 2019. The administration, which says the state faces a \$14 billion infrastructure backlog, also wants to use a P3 for a new bridge over the Mississippi River in Baton Rouge, although the structure has not yet been set.

The Calcasieu River project includes design and construction of a new eight-lane bridge, reconstruction and relocation of existing roads and interchanges, demolition of the existing span, implementing a tolling system and building several adjacent ramps and structures.

Construction could begin as early as 2024 and is expected to take seven years.

The concession will be backed by tolls, though the tolls have been "minimized" due to other federal and state funding, the Louisiana DOT said.

Other pots of money include: \$240 million from motor vehicle sales tax fund transfers; \$150 million in federal discretionary grants; \$150 million in American Rescue Plan Act funds; \$100 million from the state general fund, \$85 million in state general obligation bonds, and \$75 million from highway priority program federal funds.

The state's trucking industry is pushing back against the proposed tolls, saying the project will be "funded largely by silently taxing the truckers."

Toll rates will vary. With a so-called toll tag, rates will range from \$0.25 for local cars to \$2.50 for an auto and \$12.50 for a large truck. Without tags, the rates will range from \$3.75 for a car to \$18.73 for a large truck.

The Louisiana Motor Transport Association says the truck rates would cost a medium-sized carrier with multiple trucks "in the millions."

"In the 2,460 miles that I-10 runs, there are no tolls throughout the seven states the interstate intersects," the association said. "The DOTD's current plan of implementing tolling would provide the bridge and Louisiana with the only tolled portion of I-10 in the country. Allowing tolling on I-10 would set a poor precedent for our state nationally."

The Legislative Joint Transportation Committee will consider proposed toll rates for final approval at an August 22 meeting.