

THE BOND BUYER

First wave of bond sales for \$650M highway plan easily clears State Bond Commission

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The first installment on a \$650 million highway borrowing plan, including major projects in New Orleans and Baton Rouge, won easy approval Thursday from the Louisiana State Bond Commission.

The panel endorsed the sale of \$185 million in bonds, including about \$77 million for a new entrance to Louis Armstrong New Orleans International Airport and around \$30 million to start the widening of Interstate 10 in Baton Rouge.



Another \$61.1 million is earmarked for a new state route off I-220 in Bossier City to Barksdale Air Force Base.

The debt will be paid off by the state using a portion of annual federal road and bridge aid — \$67 million of the roughly \$780 million allocated yearly — that otherwise would be used for other projects.

The commission approved the plan without dissent or discussion.

Shawn Wilson, secretary for the state Department of Transportation and Development, was in the hearing room but did not address the panel.

The federal bonds are called Grant Anticipation Revenue Vehicle bonds and have been used by about two dozen other states for transportation projects, officials said.

The \$185 million will give state officials enough cash flow on the projects for about two years.

Then officials of the state Department of Transportation and Development will return to the commission for a second round of borrowing.

One of the projects targeted with the first round of dollars is a new interchange on I-10 at Loyola Drive in Kenner to speed access to the airport. The work, which totals \$125 million, includes the widening of off-ramps at Loyola and the expansion of both Loyola and Veterans Memorial Boulevard.

Wilson acknowledged that motorists will face slowdowns during construction.

The new terminal at Armstrong Airport is due to open in mid-May. Construction on the interchange is set to start in August.

The Baton Rouge project will eventually add a new lane in each direction between the "new" Mississippi River bridge and the I-10/I-12 split.

The total is \$380 million, up from \$360 million earlier because costs of the Bossier City project came in less than expected.

Initial work is set to include construction of a flyover to College Drive for westbound traffic on I-10.

The work is expected to take 5-7 years.

The \$185 million start was endorsed earlier this week by the Joint Legislative Committee on the Budget.

Gov. John Bel Edwards announced the proposal in January, 2018.

The previous year an Edwards administration-backed bid to boost the state gasoline tax by 17 cents per gallon, and raise about \$500 million per year, died in the Legislature without a vote on the state House or Senate floor.

Louisiana has a 14.3 billion backlog of road and bridge projects, and the governor's plan is touted as a way to make progress until yearly transportation revenue rises.

Trade groups are pressing for an election-year gas tax debate during the session that starts April 8.

Wilson said earlier this year that he doubts a serious discussion will take place.