



Innovative Financing Programs

at

Louisiana DOTD

Presented at the 2014 SASHTO Meeting

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Types of Debt LADOTD Issued for Transportation

- General Obligation Bonds
- TIMED Bonds
- Toll Revenue Bonds
- TIFIA Loans
- Unclaimed property bonds
- State Highway Improvement Fund Bonds



What is Unclaimed Property?

- State law requires financial institutions, insurance companies, businesses, and other government agencies to turn dormant accounts to the State.
- Louisiana holds unclaimed funds in trust – with the State Treasurer as custodian until the funds are claimed by the owner.
- If there has been no activity in the account for a set period of time, usually between 3 to 5 years, the money is considered unclaimed, however the owner has rights to claim the funds indefinitely.

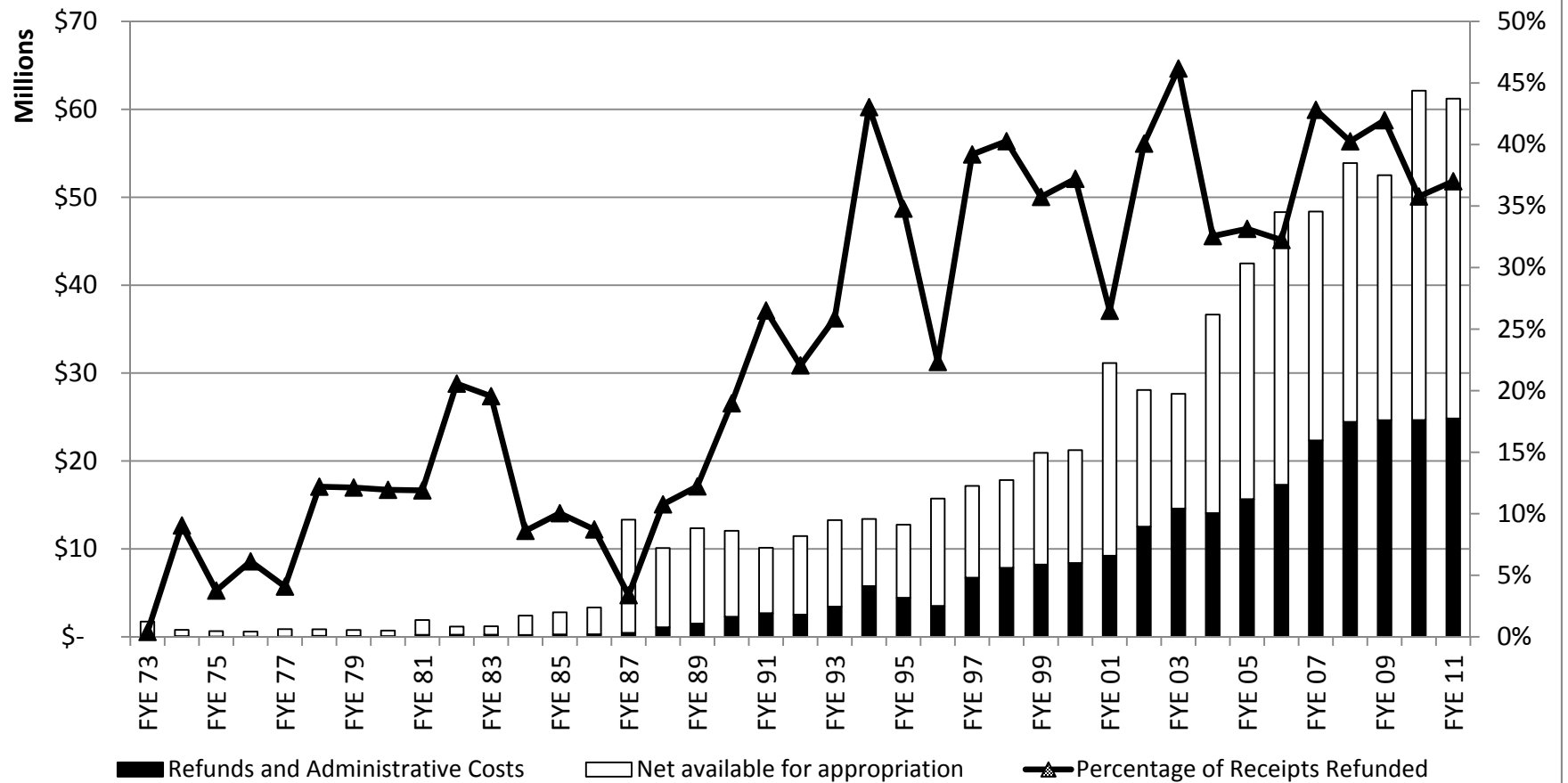


Types of Unclaimed Property

- Types of unclaimed property include:
 - Savings Accounts and Wages
 - Checking Accounts, Insurance Benefits/Policies
 - Uncashed Checks, Mortgage Insurance Refunds
 - Utility Deposits Stocks and Dividends
 - Rental Security Deposits, Mutual Funds
 - Safe Deposit Box Contents, Certificates of Deposit

Unclaimed Property Revenue

EXHIBIT H
Unclaimed Property Collections and Refunds History
1973 to 2011





Unclaimed Property Dedication

- Legislation allows \$15 million a year in unclaimed property funds to pay debt service on bonds issued for I-49 North and South (50% each).
- Funds could be used for pay-go until bonds are issued.



Unclaimed Property Dedication

- I-49 North from Shreveport to the Arkansas line
 - Last of I I segments was let in May
 - \$635 million total project cost
- I-49 South from Lafayette to New Orleans
 - \$4-6 billion
 - Upgrading to interstate standards by building interchanges and frontage roads



Unclaimed Property Bonds

- \$109.5 million was issued in December 2013
 - \$89.5 million for I-49 North
 - \$20 million for I-49 South
 - Moody's Aa3; S&P AA-
 - 4.00%
 - 20 years
 - State Backup
- \$70 million for I-49 South is proposed for spring of 2015



Unclaimed Property Bonds

- **Challenges**

- First bond issue in the country using unclaimed property funds
- Owners have rights to funds in perpetuity
- Rating Agencies uncertain of credit
- Ultimately had to put a State backup in place to secure bonds



State Highway Improvement Fund

- Act 708 of 2006 established this fund under DOTD
 - Source: registration and license fees and taxes on trucks and trailers
 - Use: projects on any road which is part of state system but not part of federal system which is ineligible for FHWA assistance
 - Original phase in over 4 years at 25% increments beginning in FY 2008; 100% in FY 2011
- Act 11 of 2008 provided for 3 year phase-in
- Act 135 of 2012 provided for the issuance of bonds by the Louisiana Bond Commission




Act 708 of 2006

- Monies appropriated from the fund shall be used exclusively by the Department of Transportation and Development for funding projects for any road which is part of the state highway system but not part of the federal system and, thus, is ineligible for federal highway funding assistance.



State Highway System Facts

- 61,300 miles - Total highway centerline mileage (state-owned and local-owned)
- 16,600 miles - State-owned highways
- 6,000 miles – Non-federal-aid eligible highways on the state-owned system
- 1,617 Bridges on NFA routes are eligible for federal bridge funds
- NFA routes are eligible for federal safety and enhancement funds



Truck and Trailer

Registration or License Rates

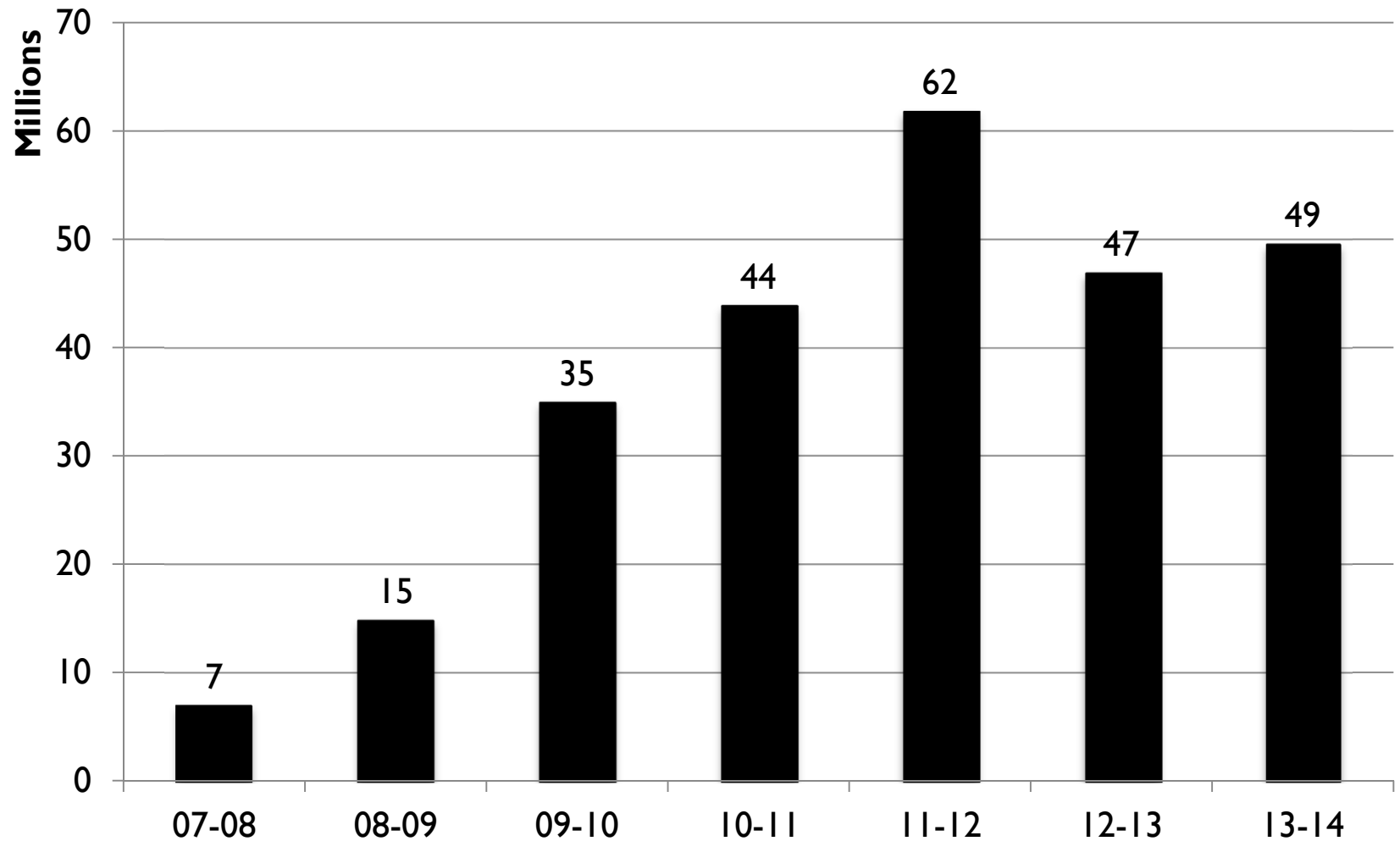
- Trucks (up to 6000 lbs. GVW)
 - \$ 40.00 (4 years)
- Trucks (over 6000 lbs. GVW)
 - Rate varies based on weight
- Trailers
 - \$ 10.00 (1 year)
 - \$ 40.00 (4 years)
 - \$ 70.00 (Permanent)
- Light Trailer, Farm Trailer or
 - \$3.00 (1 year)
- Boat Trailer
 - \$3.25 (1 year)



International Registration Plan (IRP)

- IRP is the acronym for International Registration Plan, a cooperative agreement among 48 states, 10 Canadian provinces and the District of Columbia which allows a motor carrier to register a commercial vehicle for travel in all participating jurisdictions by filing paperwork with the home (base) jurisdiction.

SHIF Revenue History





SHIF Program Project Types

- Base stabilization and structural asphaltic concrete overlays
- Patch, surface milling and asphaltic concrete overlays
- Chip seals
- Ultrathin overlays
- Bridge Rehabilitation and Replacements



SHIF Bonding Program

- Approximately ½ of revenue stream used for debt service. The rest is available for pay-go.
- \$100 million issued in March of 2013
 - Moody's:Aa3; S&P:AA-; Fitch:AA-
 - 3.19 %
 - 20 year term
- \$225 million issued in February of 2014
 - Moody's:Aa3, S&P:AA, Fitch:AA
 - 3.59%
 - 20 year term



Challenges

- Revenue originally used in State General Fund.
- Validation of revenue from OMV
- Projects must be capital in nature (20 year life)
- Delivering projects timely in order to spend down the funds within legal requirements



Questions

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