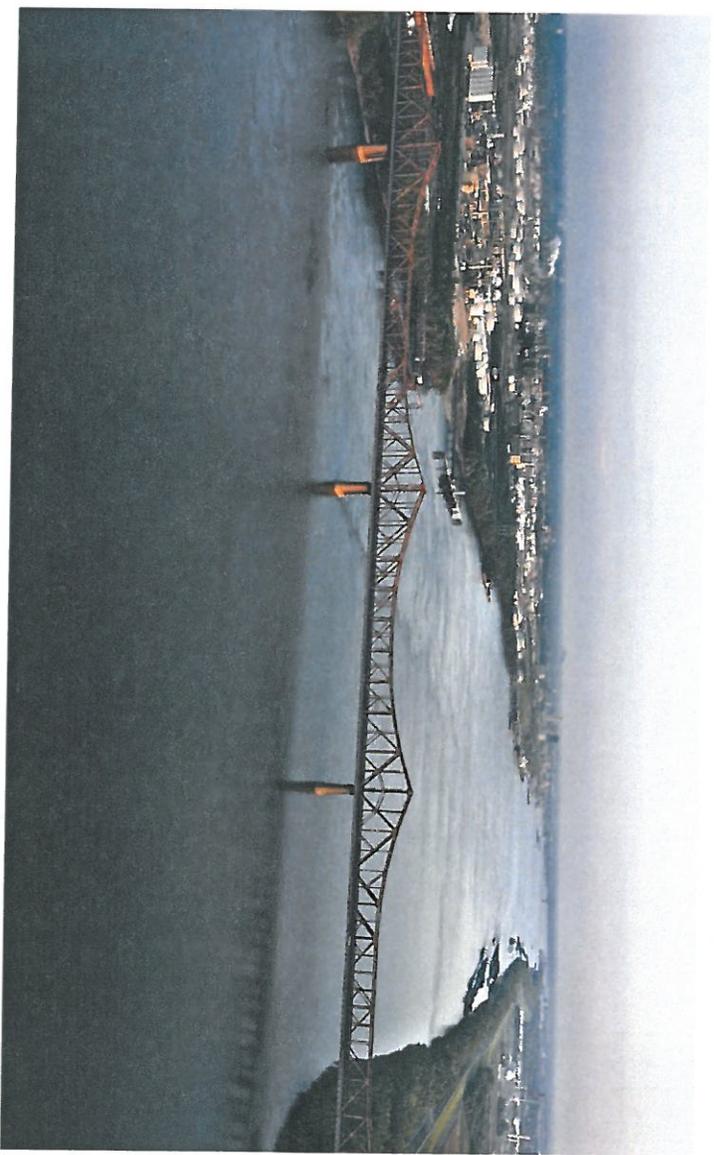


BUMP Public-Private Partnership Development Proposal



October 20, 2015
LTA Board Meeting

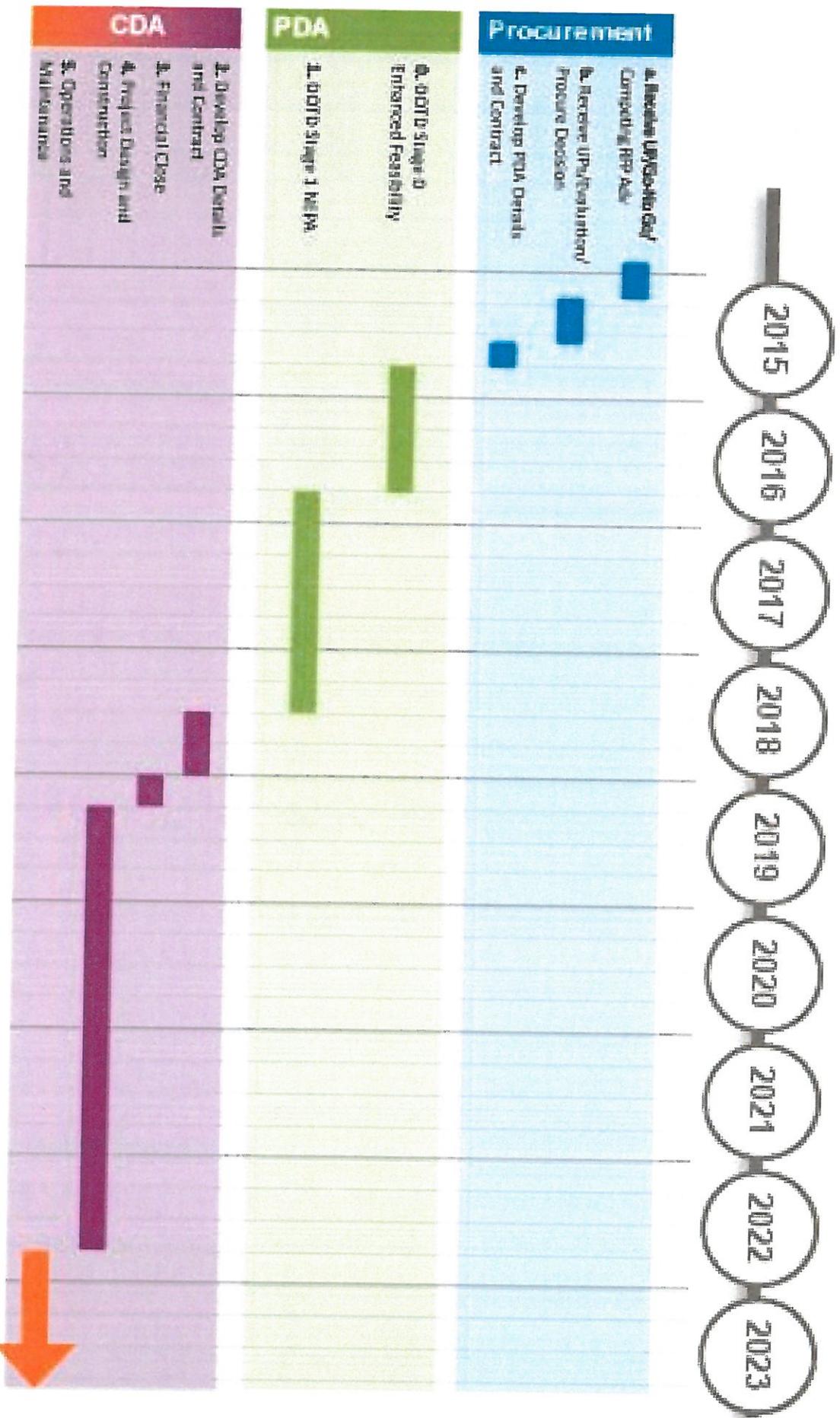


Three Purposes of Project

- Relieve I-10 MRB and I-10 System in EBR
- Relieve existing congestion in Airline Corridor
- Stimulate redevelopment of declining sections of Airline Corridor north of Florida Blvd.

BUMP Design and Costs

- AECOM \$800 million cost
- No tolls on old bridge
- End-to-end travel for free
- No significant right-of-way acquisition
- Modernization of key interchanges
- Use existing assets to gain full value of new system (\$1.5B to \$2.0B)



BUMP Public-Private Partnership Development Proposal

Agenda

1. Revenue & Finance
2. System Traffic Characteristics
3. AECOM's Request

Key Areas of Discussion from Baez Peer Review

- Value of time
- Traffic capture rates
- Revenue daily distribution
- Revenue days (annualization)
- Ramp up factor
- Truck %
- Average Daily Traffic (opening year)
- Traffic growth rate
- Toll sensitivity curves
- Toll rates

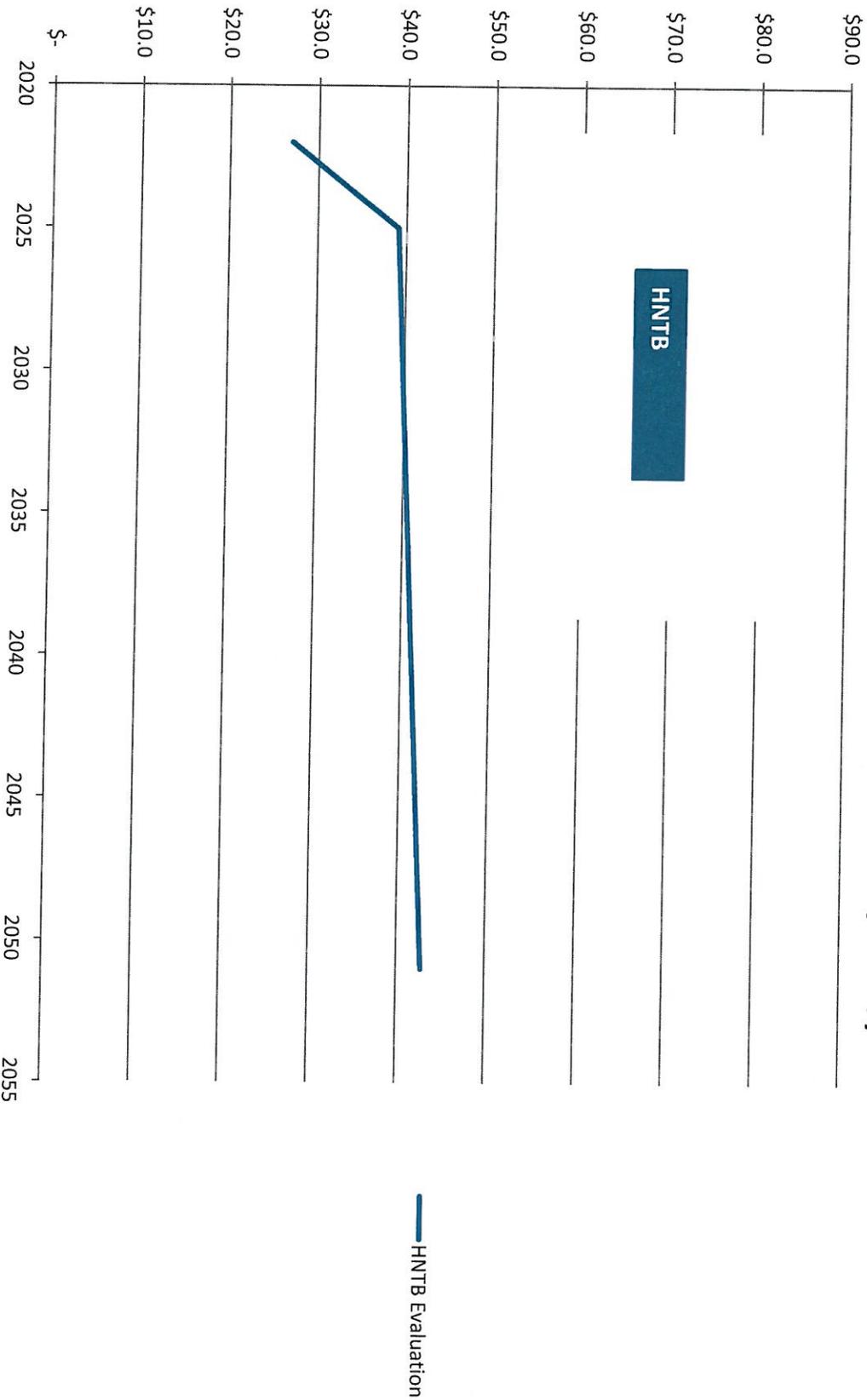
Project Costs

Capital Costs

- General agreement AECOM/HNTB = \$775 - \$800 million new construction
- Utilize \$800 million to \$1.2 billion of existing infrastructure (old MRB, interchanges, right-of-way, etc.)

Traffic & Revenue Estimates

Revenue Forecast Comparison (2014\$)



Traffic & Revenue Estimates

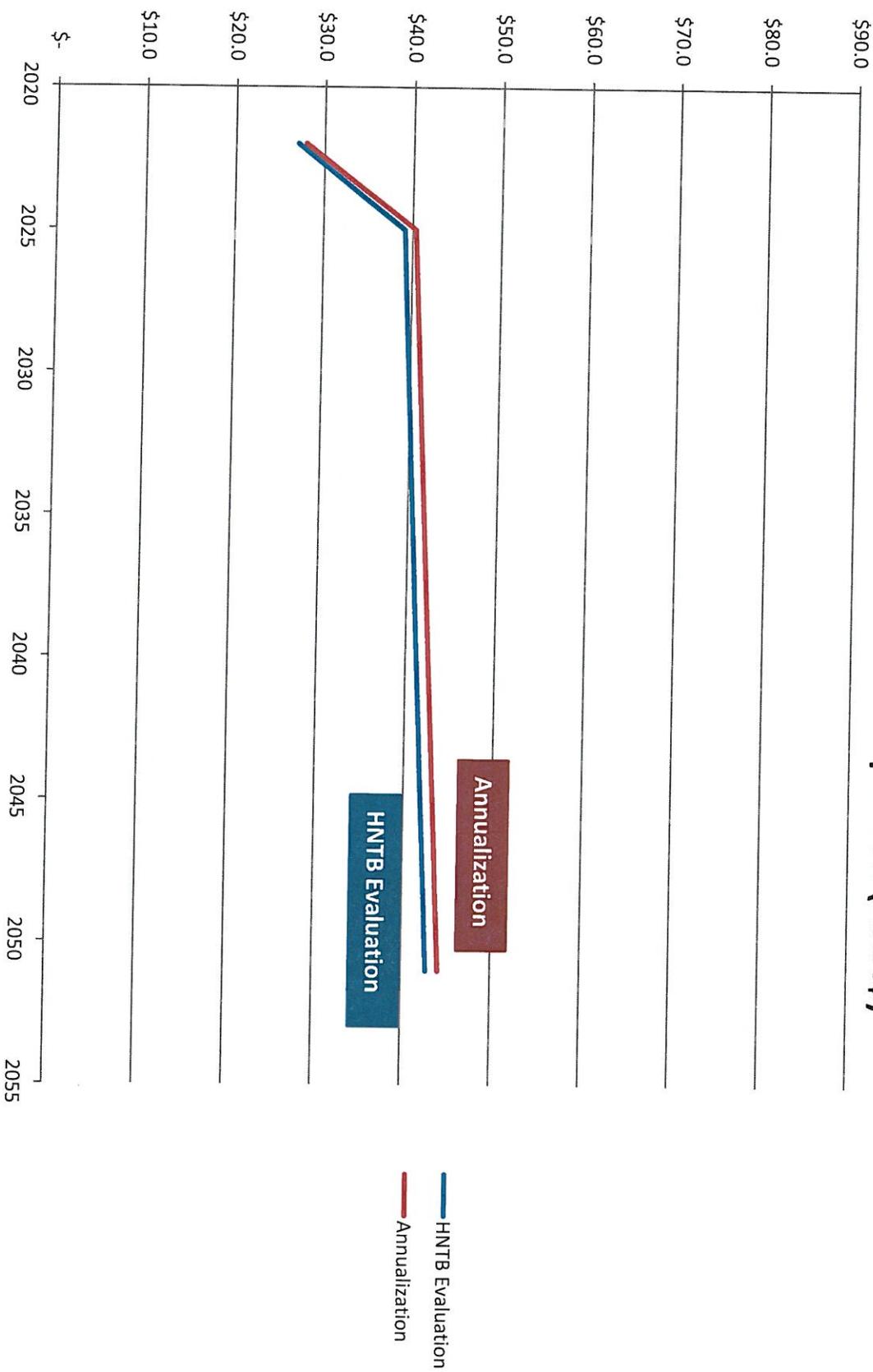
Annualization Factor (toll days per year)

- HNTB uses 315
- AECOM uses 325
- Example projects are (HNTB's independent T&R consultant Baez):
 - Dallas (4 projects): 335 days per year
 - Austin (3): 327
 - Houston (total system): 325
 - Denver: 321

Revenue Difference = +3% NPV

Traffic & Revenue Estimates

Revenue Forecast Comparison (2014\$)



Traffic and Revenue Estimates

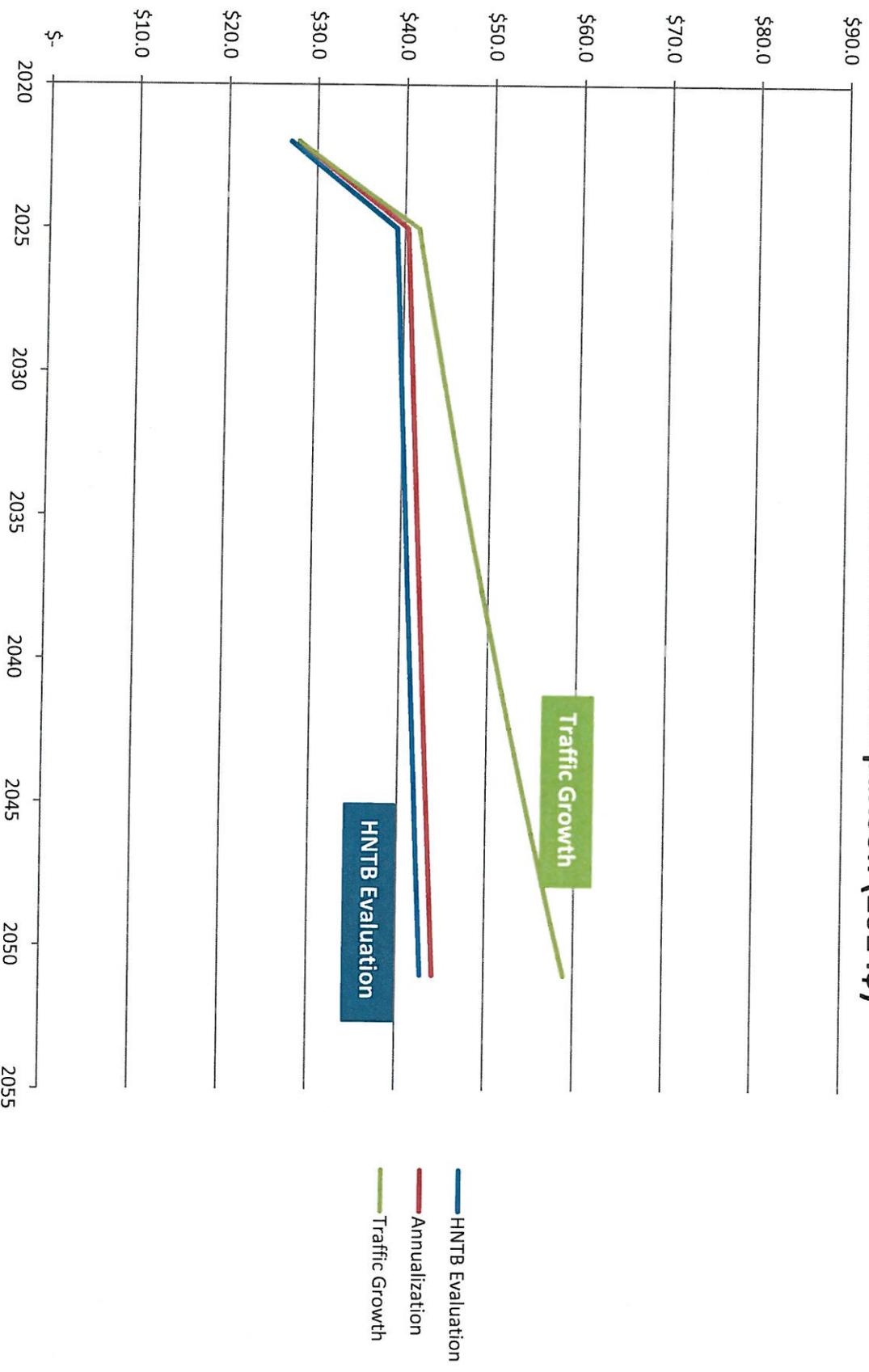
Traffic Growth

- Population (23%) and employment (21%) forecast to increase over 20 years
- Traffic increasing on I-10 system at 2.7% per year
- HNTB uses 0.35% annual growth in corridor
- HNTB's independent T&R consultant (Baez) recommends higher growth over first 20 years
- 1.3% is substantiated by regional growth trends
- Assumes no induced growth due to new roadway

Revenue Difference (+1.3%) = +17% NPV

Traffic & Revenue Estimates

Revenue Forecast Comparison (2014\$)



Traffic & Revenue Estimates

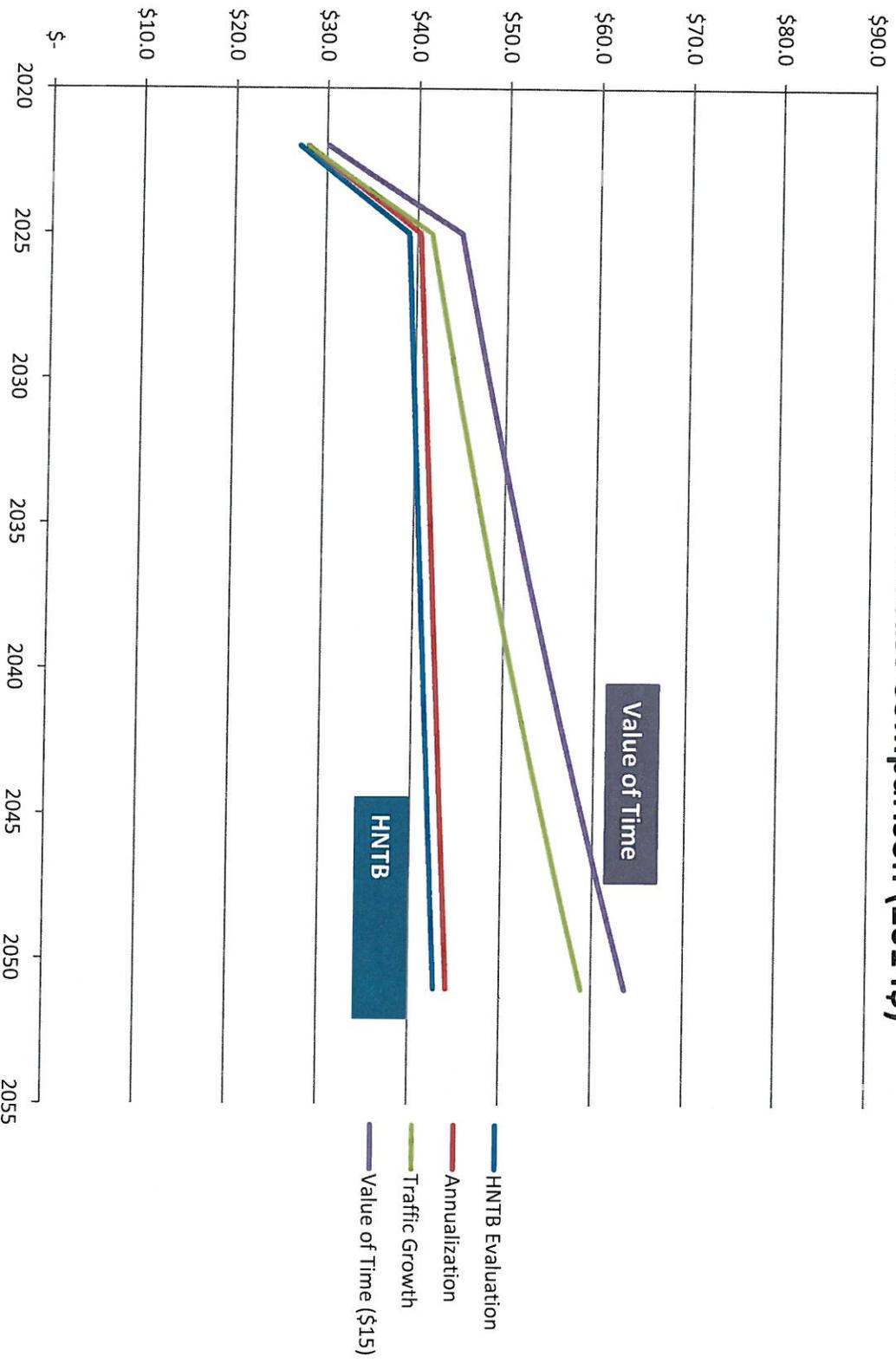
Value of Time

- HNTB uses \$10/hour
- Comparables
 - US 290 E (Austin) -- \$15/hour
 - Baton Rouge Loop Implementation Plan Toll Study -- \$20/hour
- \$15/hour industry option

Revenue Difference at \$15 = +8% NPV

Traffic & Revenue Estimates

Revenue Forecast Comparison (2014\$)



Traffic & Revenue Estimates

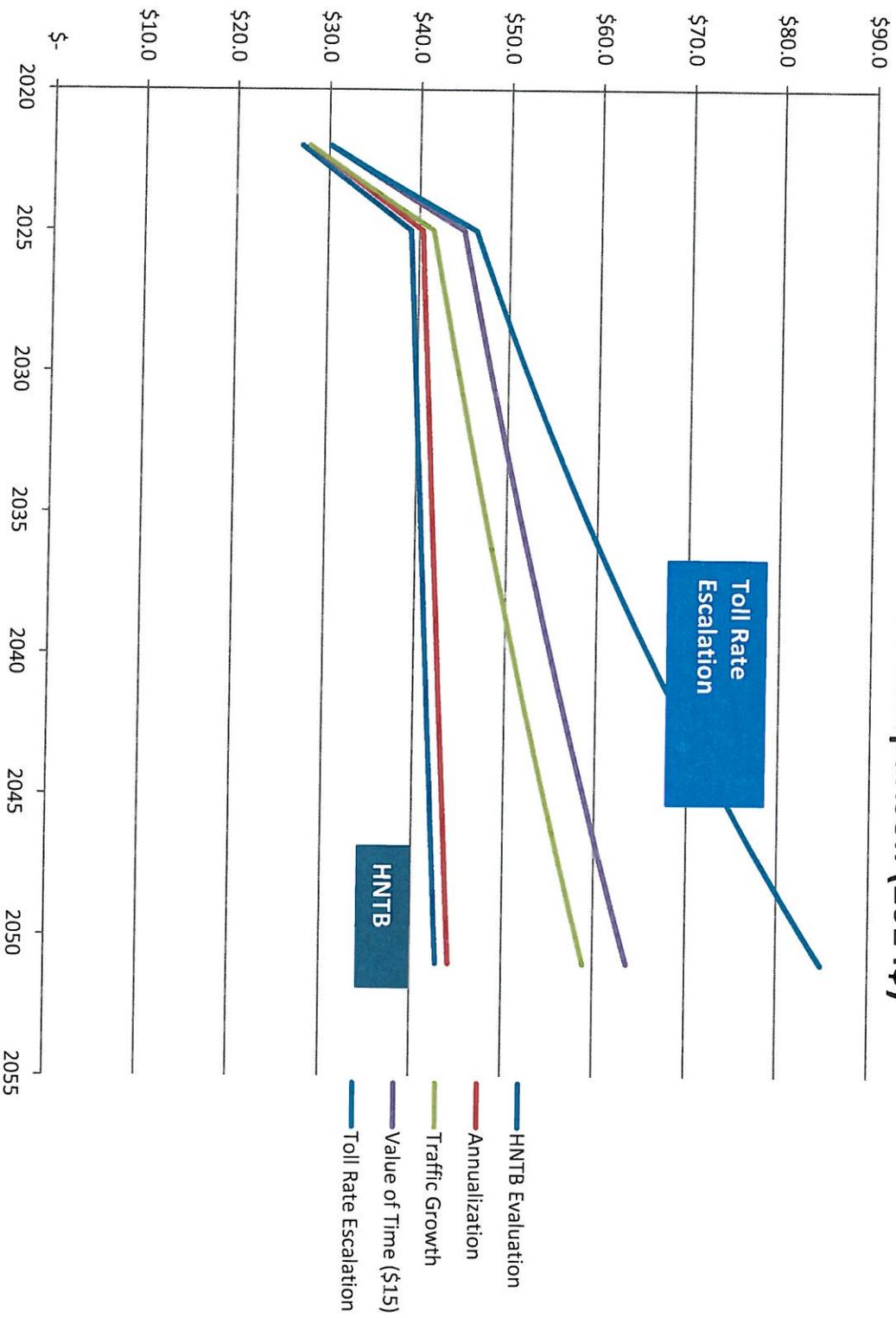
Basic Toll Rate

- HNTB uses \$0.20/mi with no increase over time
- Periodic adjustment is a standard practice in industry -- based on historical increases in disposable income
- Periodic adjustments are being used in Texas
- Examples projects are:
 - SH 121 (Dallas)
 - SH 130 (Austin)
- Use \$0.20/mi with 1% increase per year

Revenue Difference = +24% NPV

Traffic & Revenue Estimates

Revenue Forecast Comparison (2014\$)



Traffic & Revenue Estimates

Dynamic Pricing Opportunity

- Variable toll rate based on congestion and/or time of day
- Higher toll rate during peak periods, very low at night
- Manages congestion to maintain free flow
- Recent examples of static tolls vs. dynamic tolls:
 - Charlotte, NC: 27% revenue increase modeled
 - Dallas managed lanes: 50% increase in toll rate observed

Revenue Difference = +12% NPV

Traffic & Revenue Estimates

Revenue Forecast Comparison (2014\$)

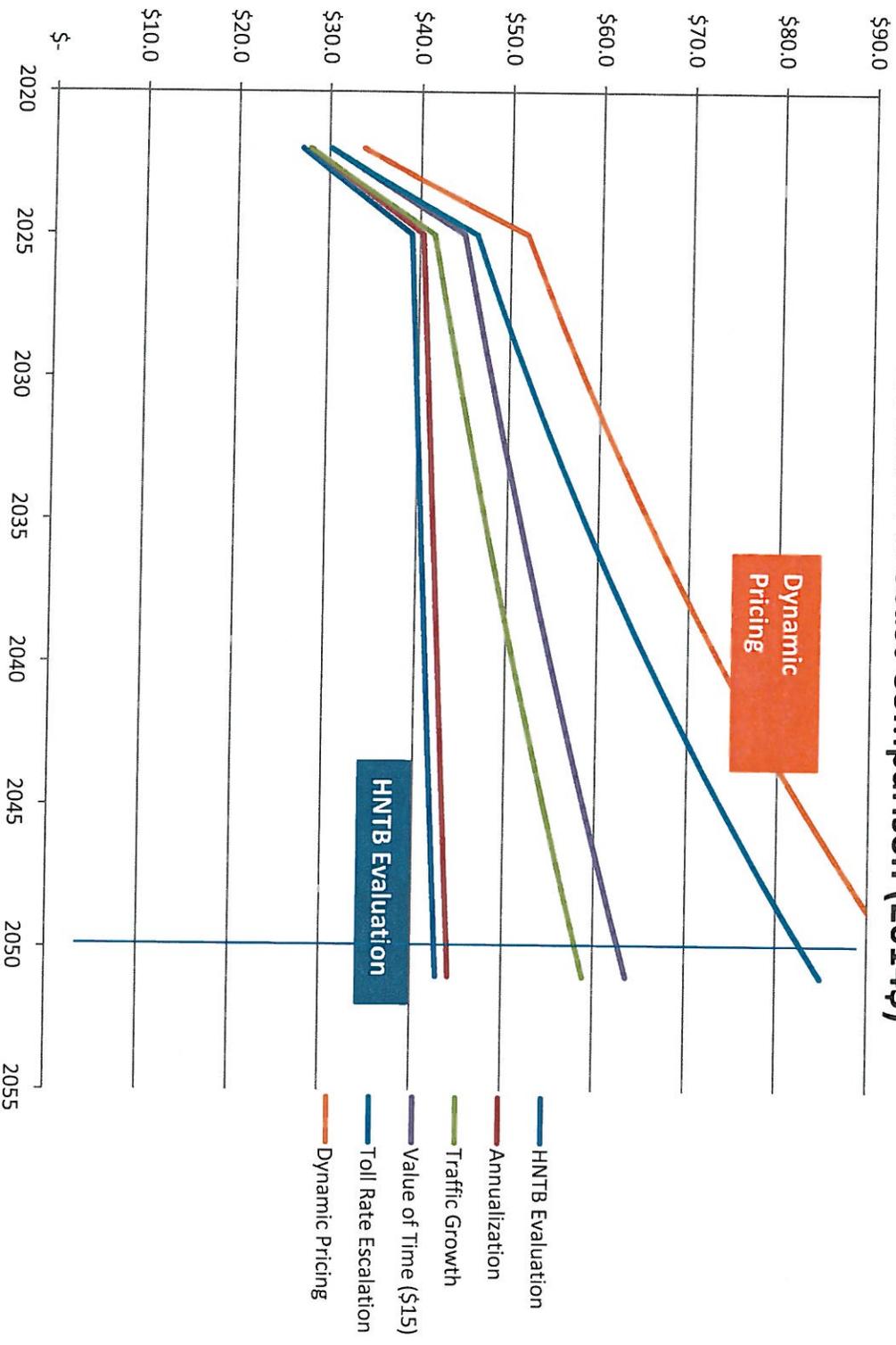


Table 4: Average Weekday Traffic Ranges

Scenario	Opening Year* Average Weekday Traffic	Assumptions
Conservative	13,900	Assuming 10% of the traffic screenline will be in the BUMP, annual traffic between 2014 and 2022 will increase at an annual rate of 0.65%. The traffic growth between 2014 and 2022 account for the additional demand attracted to the BUMP.
Likely	29,300	Assuming 20% of the traffic screenline will be in the BUMP, annual traffic between 2014 and 2022 will increase at an annual rate of 1.3%. The traffic growth between 2014 and 2022 account for the additional demand attracted to the BUMP.
Aggressive	46,400	Assuming 30% of the traffic screenline will be in the BUMP, annual traffic between 2014 and 2022 will increase at an annual rate of 2.0%. The traffic growth between 2014 and 2022 account for the additional demand attracted to the BUMP.

Note: *Does not include ramp-up factor

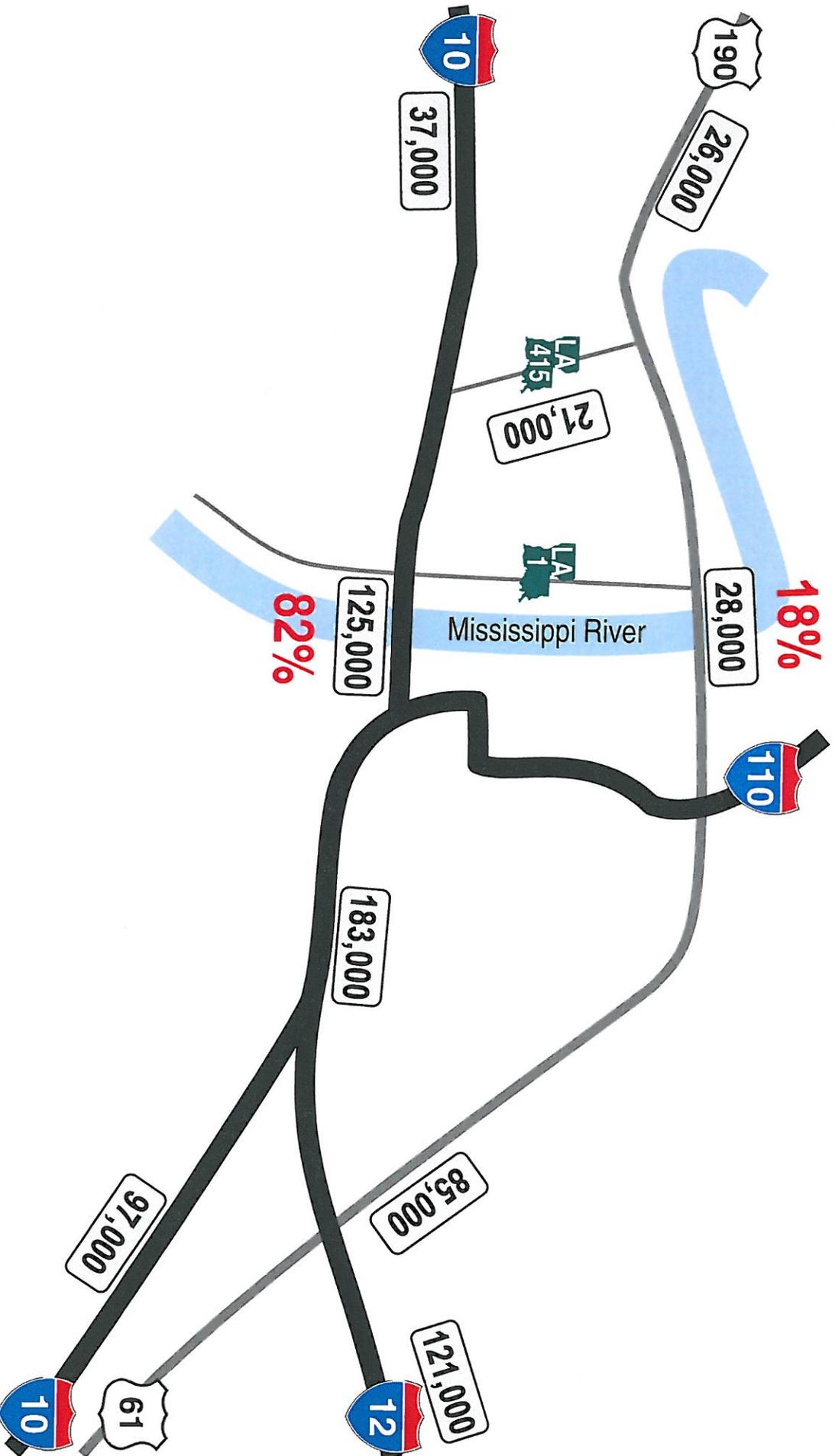
Source: page 11 of Baez Report

BUMP Public-Private Partnership Development Proposal

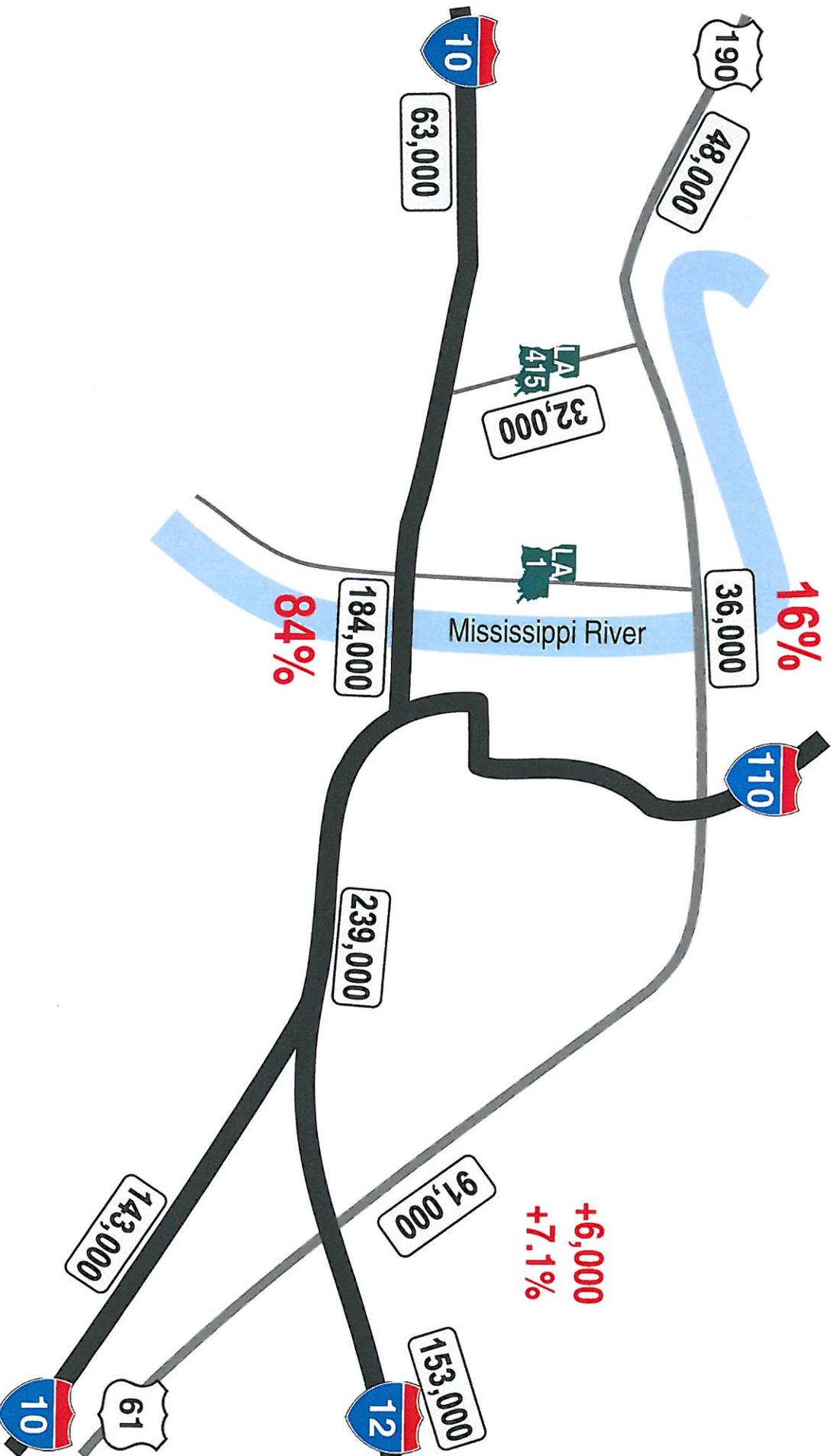
Agenda

1. Revenue & Finance
2. System Traffic Characteristics
3. AECOM's Request

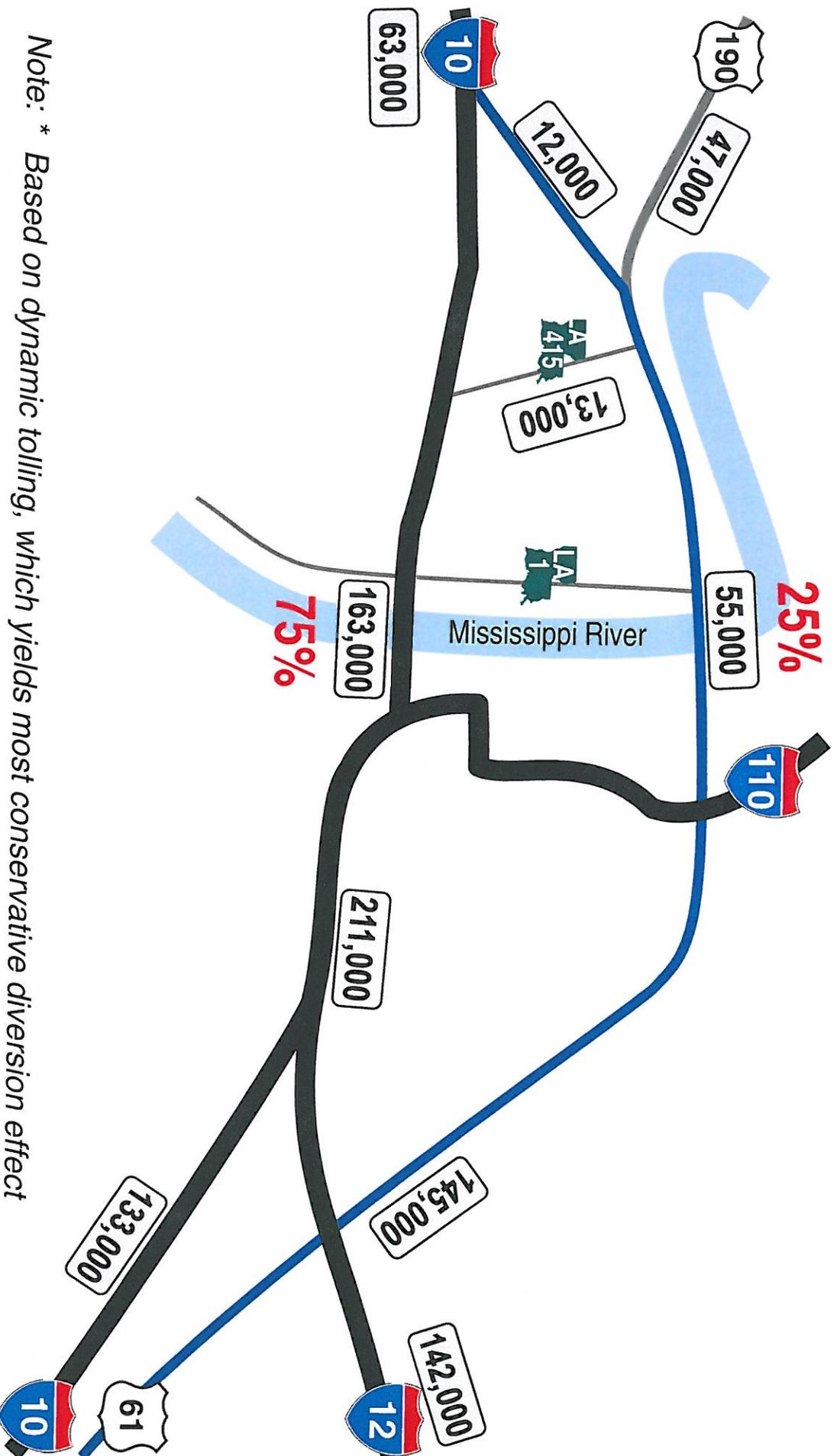
I-10 and Bump Average Daily Traffic Existing Conditions



I-10 and Bump Average Daily Traffic 2037 Projected Conditions with No Build

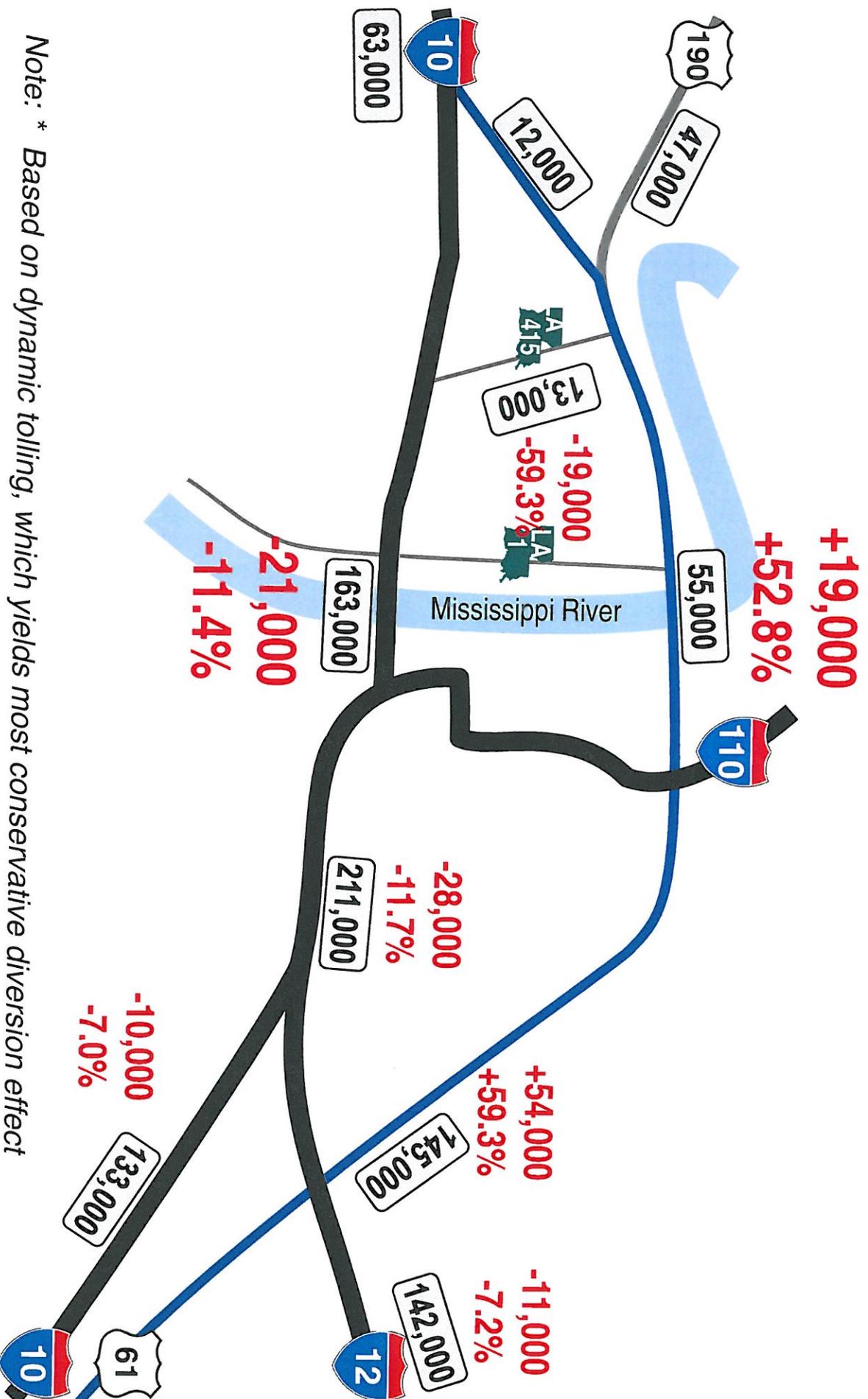


I-10 and Bump Average Daily Traffic 2037 Projected Conditions with Build*



Note: * Based on dynamic tolling, which yields most conservative diversion effect

I-10 and Bump Average Daily Traffic 2037 Projected Conditions with Build*



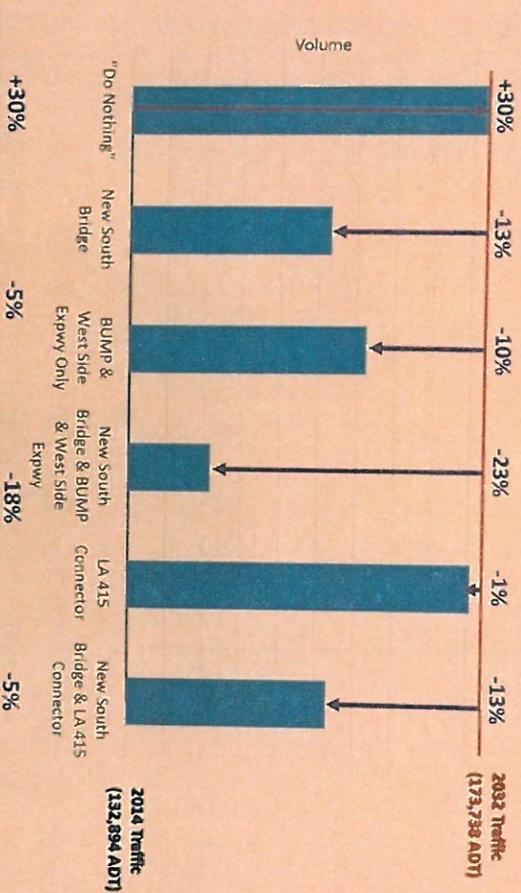
Note: * Based on dynamic tolling, which yields most conservative diversion effect



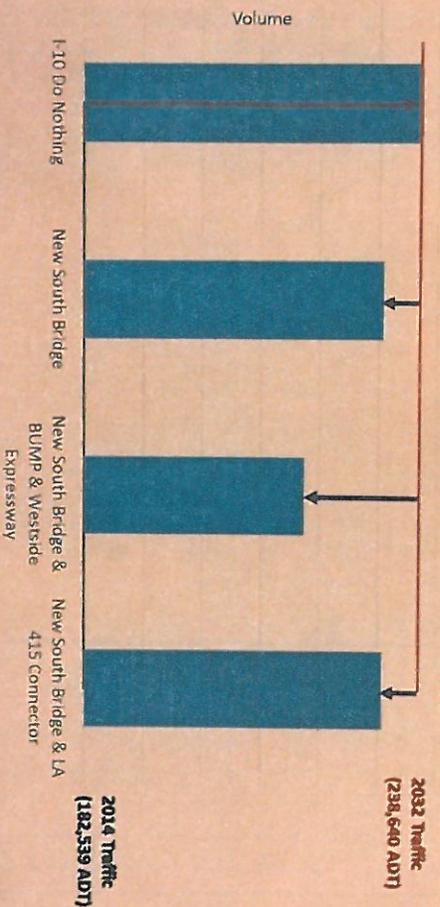
2032 Daily Volumes

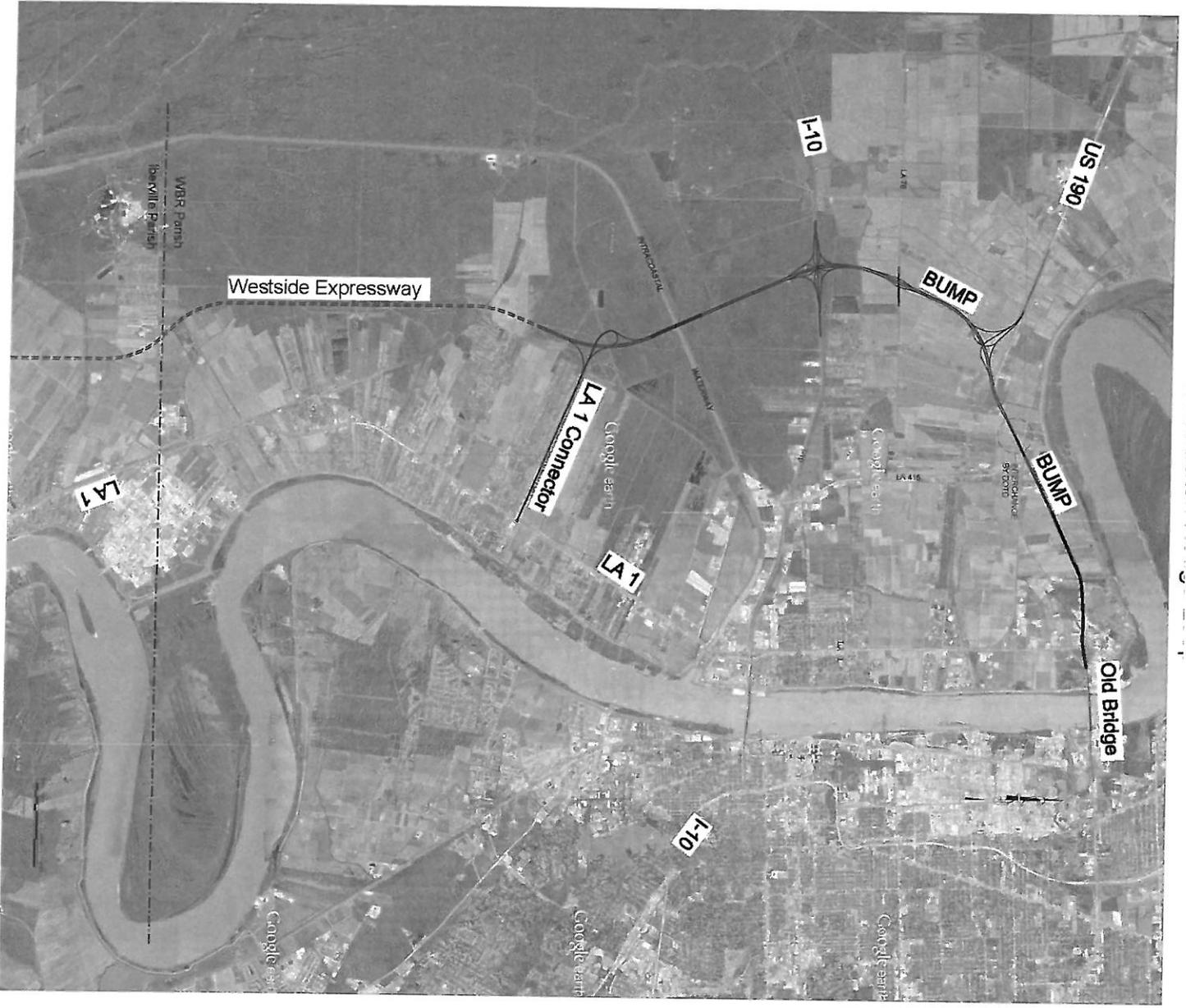
Without Improvements to I-10

I-10 Bridge



College to I-10 / I-12 Split





BUMP Public-Private Partnership Development Proposal

Agenda

1. Revenue & Finance
2. System Traffic Characteristics
3. Conclusions and Request

Conclusions

Less conservative private side view of the project indicates reasonable, if not likely, chance of self-financing through tolls.

If gap financing may be needed, it is likely to be small relative to project cost and benefits to traffic in the Baton Rouge region.

Conclusions

Final decision to provide gap financing, only if needed, would be made by LTA at end of planning phase.

Numerous “off ramps” in PPP process prior to long term agreement.

Request

We request that the project be advertised for competing proposals in accordance with Louisiana's PPP legislation.

We are anxious to present additional BUMP project enhancements that we have developed over the last 9 months.

Discussion