TIFIA Letter of Interest
Received Favorable Consideration

- The USDOT has formally invited the LTA to submit an application for TIFIA credit assistance
- Next step is to obtain LTA approval to submit the application.
- Application to be submitted on July 22nd
The LA 1 Toll Road forecasted revenue is insufficient to meet debt service coverage requirements beginning with the December 1, 2013 payment.

As a result, the bonds and existing TIFIA loan will be in default.

DOTD, on behalf of the LTA, submitted a Letter of Interest to the USDOT TIFIA Program office in October of 2012 for a new loan to refinance the debt.
Consequences if not Refinanced

- A Draw on the DSRF would require an appropriation by the Legislature to refill
- A default could reflect negatively on the State’s credit rating
- LTA could be forced to raise tolls another 88% above 20% built-in increase that went into effect on January 1, 2013
- Onerous toll increase will affect Grand Isle and Port Fourchon economy
TIFIA Negotiations

- DOTD Proposed Option 1 (denied)
  - $176 M TIFIA Loan (@1/2 Treasury Rate)
  - Included a new CEA State Backup
  - Loan amount equal to 47% of project costs
  - TIFIA stated that only 33% would be considered (even though 49% is in MAP–21)

- DOTD Proposed Option 2 (denied)
  - $122 M (33%) TIFIA Loan (@1/2 Treasury Rate)
  - $54 M public market bonds
  - Both included in CEA state backup
  - TIFIA stated that only the original TIFIA loan amount ($78M) would be eligible for ½ Treasury rate.
Three part refinance solution
  ◦ $78 M 35 year TIFIA loan (@1/2 Treasury rate)
  ◦ $44 M 35 year TIFIA loan (@full Treasury rate)
  ◦ $54 M 30 year public market bonds (@current rate)

All three parts included in CEA provided by State

Combined debt service fits under the URS base (50\textsuperscript{th} percentile) toll revenue scenario and only slightly above the URS low (5\textsuperscript{th} percentile) toll revenue scenario

No increase in tolls will be required beyond built-in increases every five years
Option 3 C

- $54MM State Bond Proceeds Debt Service
- $78MM TIFIA Loan Debt Service (Half of 30 Yr Treasury)
- $44MM TIFIA Loan Debt Service (Full 30 Yr Treasury)
- Current CEA-Backed Debt Service
- Annual Revenue - Low Scenario
- Annual Revenue - Base Case Scenario
- Annual Revenue - 25th Percentile
DOA agrees to include debt service for TIFIA loans and public market bonds in their annual operating budget
  ◦ This is similar to other state appropriation dependency debt such as the Hurricane Recovery Bonds, Community College bonds and the Nucor Bonds

LTA agrees to send toll revenue in the amount of the debt service to the State general fund

Excess toll revenue will be used to pay down TIFIA loan
LTA Agrees to Continue Tolling

- LTA agrees to continue collection of tolls for the duration of the loans and bonds
- LTA will not be required to increase the tolls above the already built-in increases every five years
- DOTD agrees to continue to pay costs for toll collections, operations and maintenance
## Tentative Refinancing Time Line

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>6/24</td>
<td>TIFIA Credit Council met to consider Letter of Interest</td>
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<tr>
<td>7/1</td>
<td>TIFIA invited LTA to submit a formal application</td>
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<tr>
<td>7/18</td>
<td>LTA Board approves submission of application</td>
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<tr>
<td>7/22</td>
<td>Submission of TIFIA application</td>
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<tr>
<td>Jul–Aug</td>
<td>TIFIA Credit Council meets to consider approval of application</td>
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<tr>
<td>9/19</td>
<td>Bond Commission approval of debt issuance and CEA</td>
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<tr>
<td>9/20</td>
<td>JLCB approval of CEA</td>
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<tr>
<td>9/21</td>
<td>Issue public market bonds call notices</td>
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<tr>
<td>10/8</td>
<td>Distribute first draft of bond documents</td>
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<tr>
<td>10/14</td>
<td>Apply for ratings</td>
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<tr>
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