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TIMED Bonds Approved

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BATON ROUGE - At its regular monthly meeting, the Louisiana Bond Commission today approved the purchase agreement for the first \$275 million in a series of bond sales over the next six to eight years which will allow the Louisiana Department of Transportation and Development (DOTD) to complete the remaining TIMED four-laning projects in 10 years instead of 30, DOTD Secretary Kam K. Movassaghi, Ph.D., P.E., said.

“Gov. Foster has been determined to find a way to accelerate completion of the TIMED program before his term of office ends,” Movassaghi said. “This process of bonding out the remainder of the program will do just that.”

“Bonding out the remainder of the program will be beneficial in several ways,” he said. “In addition to establishing a guarantee against inflation, the roads will be built for the public’s use much sooner than through the pay-as-you-go system of funding now in place.”

The \$275 million issuance represents a dramatic step toward accelerating the statewide four-laning program known as the Transportation Infrastructure Model for Economic Development, which will ultimately four-lane nearly 500 miles of Louisiana highways. It also accelerates the pre construction activities on remaining segments.

Accompanied by DOTD Undersecretary for Finance and Management John Basilica, Movassaghi recently met with financial firms in New York regarding the bonds.

“We are very pleased that all three bond rating agencies gave us an A+ rating,” he said. “We are even more pleased that the total interest cost of 4.88 per cent which we received is a fabulously low rate which exceeded our own expectations.”

“With interest rates at a 30 year low, the money is so inexpensive that the yearly debt service on the issuance will be about \$17 million per year rather than \$18 million,” Movassaghi said.

The infusion of bond money will increase the amount of money available for the next letting of bids for TIMED projects from \$50 million to about \$150 million, Basilica said.

Adopted by Act 16 of the 1989 Louisiana Legislature and amended by Act 64 in 1998, the TIMED program consists of 16 four-laning projects, four of which have already been completed.

Completed projects include US 90 from Morgan City to Houma, Jefferson Parish West Bank Expressway, Port of New Orleans improvements and Louis Armstrong International Airport improvements.

The estimated cost of completing the remainder of the TIMED highway improvements is approximately \$2.5 billion.

The TIMED program dedicates four cents-per-gallon of motor fuel tax to four-laning many of the two-lane highways connecting the state.

The fuel tax collections will be used to pay off the yearly debt service on the bonds.

Remaining TIMED projects include:

- US 171 from Lake Charles to Shreveport
- US 165 from Lake Charles to Alexandria to Monroe to the Arkansas state line
- US 61/LA 15 from Monroe to Baton Rouge
- LA 3241/I-12 to Bush
- US 167 from Alexandria to Ruston to the Arkansas state line
- Tchoupitoulas, West Napoleon and Earhart routes; Greater New Orleans
- Huey P. Long Mississippi River Bridge, Florida Avenue Bridge over Industrial Canal, St. Francisville Mississippi River Bridge

It has been estimated that every dollar invested in transportation infrastructure returns \$2.60 in benefits.

The Federal Highway Administration states that for every \$1 billion in highway investment:

- some 7,900 on-site jobs are generated
- some 19,700 off-site jobs are generated
- and some 14,500 jobs are induced by the ripple effect

Highway accessibility is also a leading economic development consideration, and four-lane highways increase safety and provide a number of other benefits.

By including an intermodal aspect to the program through the inclusion of the airport and water port in New Orleans, TIMED became superior to such four-laning programs in other states.

Recent record years of business at the Port of New Orleans are directly attributable to the TIMED expansions that were completed there.

Additionally, TIMED funded a perishable goods center in the east cargo area of Louis Armstrong International Airport in New Orleans, which accommodates perishable goods and provides capability for the airport and the region to attract additional Latin American and other trade.

Louis Armstrong International is now one of only three airports in the country to own and operate such a facility.

Businesses from around the state utilize these water and airport facilities.

Completion of the remaining TIMED projects will provide even more benefits.