



State of Louisiana  
Coastal Protection and Restoration Authority

**FOR IMMEDIATE RELEASE**

10/18/2017

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## **\$1.2 billion in coastal projects in Southeast Louisiana spotlighted at CPRA's October board meeting**

**BELLE CHASSE, LA. – Oct. 18, 2017** – The Board of the Louisiana Coastal Protection and Restoration Authority (CPRA) held its monthly meeting in Belle Chasse in Plaquemines Parish and used the opportunity to spotlight billions of dollars in projects in the Southeast Louisiana region, and to report on innovative funding ideas being pursued to enable more Coastal Master Plan projects to get underway.

### ***Investment in Regional Parish Projects***

“We have nearly \$1.2 billion in projects in Southeast Louisiana that have been completed, are now in construction, or are working towards construction—and that’s not even counting the sediment diversions CPRA is planning,” said CPRA Board Chairman Johnny Bradberry as he introduced John Troutman, CPRA’s Operations Manager for the New Orleans region, who gave a detailed presentation on those projects.

Projects in construction, Troutman reported, include the Hydrologic Restoration in the Des Allemands Swamp, the Bayou Dupont Marsh Creation project #3 south of Belle Chasse, the Lake Lery Shoreline and Marsh Restoration near Delacroix, the Bayou Bonfouca Marsh Creation between Lacombe and Slidell, and the barrier island restorations of Shell Island and Chenier Ronquille off the coast of Plaquemines Parish, projects totaling almost \$224 million.

“In addition, we are in the engineering and design phase for 10 projects totaling approximately \$291 million in funding through CWPPRA, the Coastal Wetlands Planning, Protection and Restoration Act,” said Troutman. “These are mainly marsh creation and restoration projects needed to restore or maintain the natural buffer that protects us against storm surge, and preserves our important fisheries ecosystem.”

Bradberry pointed out that CWPPRA is the state’s most cost-efficient coastal funding program. “For CWPPRA-funded projects, CPRA’s cost share is only 15 percent with the other 85 percent provided by our Federal CWPPRA partner agencies. We were happy to hear Colonel Clancy with

the Corps of Engineers say last week that Congress will reauthorize CWPPRA and it will be able to help us for many years to come.”

Troutman then reported on projects being funded with more than \$657 million of post-BP oil spill money from the Natural Resources Damage Assessment (NRDA) and the RESTORE Act.

“Approximately \$282.5 million in NRDA funds are being used to restore Queen Bess Island north of Grand Isle, create marsh habitat along Spanish Pass near Venice, and restore the lake rim and marsh along the south shoreline of Lake Borgne,” said Troutman. “Approximately \$374.8 million in RESTORE funds are going towards West Grand Terre Beach Nourishment and Stabilization, River Reintroduction in to Maurepas Swamp, Golden Triangle Marsh Creation, and the Biloxi Marsh Living Shoreline.”

### ***GOMESA- Gulf of Mexico Energy Security Act***

Louisiana’s been told it can anticipate receiving approximately half of the federal offshore oil and gas revenues promised under the Gulf of Mexico Energy Security Act (GOMESA) passed by Congress in 2006 and fully phased in this year.

“Our state share is capped at a maximum of \$140 million per year, with coastal parishes getting an additional maximum of \$36 million, all for coastal restoration and protection projects,” reported Deputy Director Chip Kline with the Governor’s Office of Coastal Activities. “But the federal Department of the Interior has informed us we will probably get only about half of the maximum. The Department did not provide an explanation on the significant reduction in revenue.

Kline vowed to get answers on why the unexpected reduction is occurring, but speculated that lower oil prices, decreased oil and gas production, and the location of offshore leases might be a factor. “GOMESA is the only recurring source of Federal revenue that comes into the coastal trust fund. This reduction in revenue forces us to re-evaluate our priorities and may require an adjustment in some of the very important projects and initiatives for the coming fiscal year and beyond.”

### ***Mid-Barataria & Mid-Breton Sediment Diversions***

CPRA Operations Assistant Administrator Brad Barth provided an update on the Mississippi River Sediment Diversion Program which includes the Mid-Barataria and Mid-Breton Sediment Diversions.

“More than 300 people attended three public scoping meetings hosted by the U.S. Army Corps of Engineers this summer for the Mid-Barataria project,” said Barth, “and that generated more than 800 formal public comments.”

Gulf Engineers and Consultants, a third party contractor, will work with the Corps of Engineers to synthesize these comments, and a draft Environmental Impact Statement is anticipated to be completed in the fourth quarter of 2018.

For the Mid-Breton Sediment Diversion on the east bank, Barth said progress has been made in identifying a potential location near Wills Point. The exact proposed location will be finalized during the engineering and design phase of this project. “The procurement package for engineering and design was released earlier this month,” said Barth,” and we anticipate a team will be selected next February.”

### ***NRD Banking Up and Running***

Louisiana has a new banking program that will incentivize private investment in Coastal Master Plan projects. “The Restoration Banking Program is open for business, and entities can submit their prospectus to CPRA for review,” governor’s office attorney Megan Terrell told the board.

The program concept enables a private entity to sell restoration credits to responsible parties to mitigate for natural resource damages liability resulting from certain oil spills under the Oil Pollution Act that occur in Louisiana coastal waters.

“A resolution by the 2016 Louisiana Legislature and Governor John Bel Edwards directed us to develop a framework and rules for a Natural Resource Damage restoration banking program and an oil spill compensation schedule,” Terrell said. “Over the past year we have been incredibly busy and thorough. We worked with stakeholders, federal agencies, the mitigation banking industry, the Louisiana Oil Spill Coordinator’s Office, and the other trustee agencies to draft the framework and regulations and develop a compensation schedule. We’ve had an initial public comment period, updated the legislature, made changes based on the feedback, and had another public hearing. The final regulations have been published and can be found online.”

Restoration Banking Regulations are posted at [www.doa.la.gov/osr/lac/43v31/43v31.doc](http://www.doa.la.gov/osr/lac/43v31/43v31.doc) and Compensation Schedule Regulations are posted at <http://doa.la.gov/osr/lac/43v29/43v29.doc>.

### ***Pay for Success Update***

Another new initiative to spur project implementation is “Pay for Success,” authorized by the legislature and currently being developed by CPRA. “This will utilize up-front private investment to get projects on the ground faster, shift risk of project success to the contractor, and obtain better overall value, innovation and efficiency,” said CPRA Board Chairman Johnny Bradberry.

Payment is not based on a contractor merely completing a project, but is instead based on the contractor meeting defined performance criteria for the project. “This is totally an outcome-based performance contract,” added CPRA’s Robert Routon.

CPRA is currently exploring which projects and funding streams will be the best fit for this project-implementation approach.

Megan Terrell added that Environmental Impact Bonds (EIB) are an innovative financing tool that uses a Pay for Success approach in providing up-front capital for environmental programs.

The national Environmental Defense Fund is performing a feasibility study to design an EIB and determine whether Louisiana can use it as a financing tool to fund coastal restoration.

### ***More Coastal Financing Innovations Sought***

The Finance Working Group established by the CPRA Board is already making progress in advancing the state's efforts to identify and procure additional funds and funding sources for the Louisiana Coastal Master Plan.

Restore or Retreat, a non-governmental organization, is partnering with CPRA to maximize and leverage future funding opportunities along with innovative cash management tools and techniques.

"The CPRA has done a tremendous job understanding the engineering challenges of the land loss crisis and devising a plan to address that crisis in the most strategic and sustainable way," said Restore or Retreat Executive Director Simone Maloz. "On the heels of the passage of the 2017 Coastal Master Plan, we want to transition from planning to large-scale implementation. To do that successfully, it will take the best utilization of financial instruments and economics to finance the nation's largest ecosystem restoration effort. For that reason this project is a critical first step to success."

Maloz said a request was made for "Statements of Interests and Qualifications" and received submittals from 10 teams representing over 35 experts from all parts of the financial world. Full proposals are being accepted until the end of this month.

### ***Submittals Received for Parish Matching Program***

Thirteen coastal-zone parishes have submitted 17 projects to be considered for up to \$20 million in matching funds under the new CPRA Parish Matching Program. CPRA has allocated up to \$100 million of its Spill Impact Component funds to the Parish Matching Program-over the next 15 years for projects addressing coastal restoration, hurricane protection, and improving the resiliency of the coastal area affected by the Deepwater Horizon oil spill.

According to Maury Chatellier, Chief of the CPRA Project Management Division, "We are pleased with the level of interest in this program and have been working with the parishes to make this program a success. This program is a new initiative and as such, we know we will learn a lot from this first round of submissions that will help us make the program and its processes even better moving forward."

Project submittals came from Cameron, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne and Vermilion Parishes.

“The projects selected by CPRA will be announced in November for CPRA Board approval,” said state attorney Chris Barnes. “They will then be added to the parish and State draft plans and undergo a 45-day public comment period. Once finalized and approved by the CPRA Board, the projects will be submitted to the RESTORE Council and the U.S. Department of Treasury for final approval. While the timeframe is largely controlled by Federal processes and will be project-specific, we estimate that project initiation would begin in November of next year.”

For copies of the presentations please visit our website: <http://coastal.la.gov/calendar/>

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*Louisiana Coastal Protection and Restoration Authority is the single state entity with authority to develop, articulate, implement, and enforce a comprehensive coastal protection and restoration Master Plan of unified vision to reduce hurricane storm surge flood impact, to restore our bountiful natural resources, to build land to protect our nation's critical energy infrastructure, and to secure Louisiana's coast now and for future generations.*