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PRESS RELEASE

November 11, 2014

Council Blocks Mayor's \$74 Million Plan to Fix Streets

Another plan to use revenue bonds to fund millions of dollars in needed repairs to the city's crumbling sidewalks and bumpy streets has failed to receive City Council approval.

Mayor Cedric Glover made a passionate plea for support of his \$74 million plan to make a significant dent in a problem that most residents identify as Shreveport's top priority in terms of infrastructure needs. Despite his reasoned argument, the Council split 3-3, with Jeff Everson, Rose Wilson McCulloch and Ron Webb supporting the measure. Councilman Michael Corbin was absent.

"We've been asked why we keep putting this proposal up for discussion and let me just say we're here to advance the issues of the City of Shreveport until the very last day, the very last hour and the very last minute of my administration," Mayor Glover said. "So we're going to continue to push and press this issue because we feel it's pretty important and clearly, the citizens feel it's important."

Today's deadlock essentially kills the legislation but Mayor Glover said he plans to present another plan at the next council meeting. This proposal would have dedicated about \$9 million to finance street improvements related to the LSU Health Science Center Streetscape project that's already underway. Forty percent of the remaining funds would have been used to pay for improvements to arterial streets with 30 percent, respectively, going toward collector and residential streets.

In the fall of 2011, Mayor Glover unveiled a plan to provide speedier relief for the City's deteriorating streets and sidewalks without creating any new taxes. His plan was well-received by many residents, particularly those who live in areas with streets and sidewalks that have long needed reconstruction.

As proposed then, the ordinance presented would have allowed the City to leverage the revenue generated from increasing the AEP/SWEPCO franchise fee from 2 percent to 5 percent in order to secure nearly \$100 million in revenue bonds that would have been dedicated for street and sidewalk repair. The estimated \$6 million in additional funding from the fee would have been the source of revenue used to repay the debt.



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In January 2012, the Council established a Streets Special Revenue Fund that was the depository for the additional franchise fee revenue, which has generated about \$10 million annually since the increase.

The original "Fix Shreveport Streets Now" plan was rejected multiple times in subsequent years, with some councilmembers voicing concern about assuming additional long-term debt and limiting future councilmembers options for spending the franchise fee.

To address these concerns, Mayor Glover has offered various compromises that would have used only part of the fund as leverage to issue revenue bonds. Those proposals were subsequently put on hold by the Council.

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