



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 1212** HLS 12RS 3796  
Bill Text Version: **REENGROSSED**  
Opp. Chamb. Action: **w/ SEN COMM AMD**  
Proposed Amd.:  
Sub. Bill For.: **HB 935**

<b>Date:</b> May 28, 2012 4:07 PM	<b>Author:</b> ST. GERMAIN
<b>Dept./Agy.:</b> Department of Transportation and Development	
<b>Subject:</b> Provides relative to the Crescent City Connection Bridge	<b>Analyst:</b> Alan M. Boxberger

TRANSPORTATION DEPT RE1 INCREASE SD RV See Note Page 1 of 2  
Provides relative to the Crescent City Connection Bridge

Proposed law provides that an election shall be held in specified legislative districts for the purpose of determining whether tolls shall be collected on the Crescent City Connection (CCC) Bridge and provides for ballot language; provides that upon approval of tolls, the rates shall be as prescribed by present law while retaining all manners of toll collection and enforcement of violations; creates the Crescent City Connection Toll Fund to be comprised of monies collected from tolls, administrative fees and late charges; provides with respect to management of the fund by the state treasury; provides that monies in the fund shall be allocated and disbursed by the Department of Public Safety (DPS) for police functions along the span of the bridge and by DOTD for operations, maintenance, lighting, motorist assistance patrols, and capital projects; authorizes issuance of bonds; provides that the New Orleans Regional Planning commission shall serve as an advisory body and grants access to certain information; provides with respect to privatizing; provides with respect to ferry operations and allows DOTD to adjust the fares; and creates the Algiers-Canal Street Ferry Fund. Effective 1/1/13 to 12/31/33 if approved.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$10,450,000	\$20,900,000	\$20,900,000	\$20,900,000	\$20,900,000	<b>\$94,050,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
Annual Total						

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$10,450,000	\$20,900,000	\$20,900,000	\$20,900,000	\$20,900,000	<b>\$94,050,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in an increase in Statutory Dedication expenditures from the newly created Crescent City Connection Toll Fund, the newly created Algiers-Canal Street Ferry Fund, SGR expenditures from increased ferry fares, and potentially result in an increase in SGF expenditures. Proposed law is conditional upon approval of voters in specified legislative districts. This fiscal note assumes favorable passage. Proposed law extends collection of tolls at the current rate of \$0.20 per axle for toll tag users and \$0.50 per axle for cash users for passage over the Crescent City Connection Bridge from January 1, 2013, through December 31, 2033. DOTD shall collect the toll and issue Automatic Vehicular Identification tags if and until such time that such activity is transferred or contracted to another entity.

Proposed law creates the Crescent City Connection Toll Fund and provides for allocation to the Department of Public Safety and Corrections (DPS), Public Safety Services, to be used for police functions along the span of the bridge, and to the Department of Transportation and Development for operations, maintenance, landscaping, grass cutting, trash pick up, functional and ornamental lighting, motorist assistance patrols, and capital projects on ingress and egress points to the Crescent City Connection Bridge along US 90 from Broad Street to Nine Mile Point Road. Proposed law provides that no more than \$10 million in toll revenues collected in each fiscal year, plus any additional funds made available for such purposes, shall be available for pledge and dedication of revenue bonds sold to execute capitol projects for the Crescent City Connection and specifies a priority for specific projects.

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

Proposed law creates the Crescent City Connection Toll Fund in the state treasury and provides that the source of monies for the fund shall be tolls collected for passage over the Crescent City Connection Bridge, any administrative fees, and any late charges provided by law which are collected pursuant to R.S. 47:7012. The monies in the fund are to be invested in the same manner as the state general fund with interest to be deposited into the fund. All unexpended and unencumbered monies in the fund at the end of each fiscal year shall remain in the fund. Over the past three fiscal years, toll revenue collections on the CCCD bridge were \$21,379,157 in FY 09, \$20,634,153 in FY 10 and \$20,711,142 in FY 11, for a three year average of \$20,908,151. This fiscal note assumes no out-year growth in traffic or revenues. In FY 13, the impact is for one-half year, beginning on January 1, 2013 through June 30, 2013.

Proposed law creates the Algiers-Canal Street Ferry Fund in the state treasury and provides that the source of monies for the fund shall be the annual truck and trailer registration or license tax collected in the parish of Orleans after making the allocation for State Highway Fund No. 2. The monies in the fund are to be invested in the same manner as the state general fund with all interest to be deposited into the fund. All unexpended or unencumbered monies remaining in the fund at the end of the fiscal year shall remain in the fund. The monies in the fund shall be used exclusively to fund operations of the Algiers-Canal Street ferry.

SEE REVENUE EXPLANATION CONTINUED ON PAGE 2

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	<i>Evan Brasseaux</i>
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<b>Evan Brasseaux Staff Director</b>



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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

DPS indicates that it will require between 20 and 28 T.O. positions (4 Police Sergeants and 16 to 24 Police Officer 3-A) to provide for adequate law enforcement on the bridge. This fiscal note assumes 20 T.O. positions resulting in a personal services expenditure of \$692,400 in FY 13 (1/2 year) and increasing to \$1,431,029 in FY 14. For comparison, the CCCD utilizes 28 positions in its police force (2 Communications Officers, 1 Police Captain, 1 Police Chief, 4 Police Lieutenants, 3 Police Officer 2-A, 11 Police Officer 3-A, and 4 Police Sergeants). DPS projects annual operating services expenditures of \$206,720 for auto maintenance, fuel, auto supplies and uniforms, and \$14,000 in interagency expenditures annually for police training. DPS projects one-time expenditures as follows: \$13,000 in professional services expenditures in FY 13 for physicals, polygraph, drug and psychological tests for officers (\$650 per officer); \$988,604 in acquisitions expenditures in FY 13 for 20 units each of automobiles with police packages, radar units, car radios, portable radios, pistols and shotguns, vests, and mobile digital computer/communicator (MDC) units with in-car cameras; \$518,552 in acquisitions expenditures in FY 16 to replace automobiles and associated equipment; and \$388,360 in FY 17 to replace MDC units and radios. Projected total law enforcement costs beginning in the first full fiscal year are \$1.5 million in FY 14. Proposed law provides that the monies appropriated to DPS shall not exceed \$2.0 million annually and shall be used solely for police functions along the CCC. Assuming a 4% growth in salaries, DPS would require SGF support (or alternative means of finance) beginning in FY 16 at 20 T.O. positions as projected expenditures would exceed the \$2.0 million limit. At 28 T.O. positions, an estimated \$2.7 million in first year expenditures would immediately exceed the \$2.0 million limit beginning in FY 13.

After the up to \$10 million allocation of expenditure authority to be used for revenue bond debt payments for capitol projects, plus the additional funds necessary to provide for the law enforcement function on the bridge, the balance of funds will be utilized by DOTD to provide for operations, maintenance, landscaping, grass cutting, trash pick up, functional and ornamental lighting and motorist assistance patrols. The available expenditure authority for these purposes will equal \$3.5 million in FY 13 (assumes \$5 million allocation for bonds at 1/2 year toll collection, \$10.45 million total - \$5 million bond debt - \$1,914,724 police function = \$3,671,852), \$9.4 million in FY 14 (\$20.9 million total - \$10 million bond debt - \$1,651,749 police = \$9,248,251), \$9.2 million in FY 15, and \$8.7 million in FY 16 and FY 17. The Legislative Fiscal Office is unable to itemize DOTD's operating expenditures as the activity is still speculative with regard to state vs. private operation of each function, as well as the size and scope of the intended operation. For informational purposes, the existing operating budget as of 12/1/11 for the CCCD Bridge Program was \$13,152,975, a number which is inclusive of the existing CCCD Police force. The funding levels provided by proposed law seem to indicate diminished operating funds even when excluding the police force.

Proposed law provides that the New Orleans Regional Planning Commission (NRPC) shall serve as an advisory body for the collection of tolls on the Crescent City Connection and shall recommend best practices for operations, maintenance, landscaping, grass cutting, trash pick up, functional and ornamental lighting and capital projects on ingress and egress points to the CCC Bridge. The proposed law is silent with regard to whether the NRPC shall receive any compensation or administrative cost allowance for its oversight.

Proposed law provides that should the ferry service formerly operated by the CCCD not be privatized, DOTD is authorized to use best practices and to establish and maintain said ferry service. At current operating and service levels, DOTD indicates that the ferry operation will require expenditures of approximately \$9 million per fiscal year. DOTD currently pays for these expenditures through Self-generated revenues, which include both fares and subsidy from the tolls on the bridge. Under proposed law, the operation of the ferries is prohibited from using bridge tolls and must rely solely on fares and other identified revenue sources. As discussed in the revenue section of this fiscal note, projected revenues are likely to be insufficient to maintain ferry operations as they currently exist. To the degree that DOTD is responsible for maintaining ferry services at current levels, the department will be required to identify additional revenue sources or the enterprise may potentially require SGF support in an amount of approximately \$5.2 million.

Proposed law creates the Algiers-Canal Street Ferry Fund and provides that the monies in the fund shall be used exclusively to fund operations of the Algiers-Canal Street ferry. The Legislative Fiscal Office was unable to acquire an estimated dollar total associated with truck and trailer registrations in Orleans Parish in time for publication of this fiscal note. This allocation of funds will reduce the potential \$5.2 million expenditure exposure requiring SGF support on a dollar for dollar basis to maintain existing ferry operations.

Operating, routine maintenance, motorist assistance patrols, and lighting expenditures would be appropriated annually in House Bill 1 (Appropriation Bill). Capital expenditures would be appropriated annually in House Bill 2 (Capital Outlay Bill).

REVENUE EXPLANATION CONTINUED FROM PAGE 1

Proposed law provides that should the ferry service formerly operated by the CCCD not be privatized, but that authorization to continue the bridge tolls achieves favorable passage of voters in specified legislative districts, DOTD is authorized to use best practices and to establish and collect fares as follows: a commuter fare for pedestrians of not less than \$1 per each passage, a commuter pass for motor vehicle commuters of not less than \$4 per each passage, a tourist rate or non-commuter rate may be set under the direction of the New Orleans Regional Planning Commission (NRPC), and that all fares collected shall be used solely for ferry operations as formerly operated by the CCCD. Proposed law authorizes the fees to be adjusted annually in accordance with increases in the Consumer Price Index.

Utilizing traffic counts from FY 11, proposed law could generate approximately \$3.9 million in revenue from ferry fares.

FY 11 Pedestrians:	1,100,455 pedestrian crossings x \$1.00	= \$1,100,455
FY 11 Vehicles:	695,354 vehicle crossings x \$4.00	= <u>\$2,781,416</u>
Potential total annual revenues from fares:	(\$1,100,455 + \$2,781,416)	= \$3,881,871

These totals assume 100% commuter rates. If the NRPC sets a fare rate at a higher level for tourists or non-commuters, the potential revenues could be greater. However, the potential also exists that rider levels could be negatively impacted by the increased fares and could potentially result in decreased utilization and a subsequent lower level of revenues. Projected revenues are likely to be insufficient to maintain ferry operations at current levels.

Senate	Dual Referral Rules	House	<i>Evan Brasseaux</i>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<b>Evan Brasseaux Staff Director</b>