

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 273** SLS 16RS 442

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 11, 2016	8:13 AM	Author: DONAHUE
Dept./Agy.: Greater New Orleans Expressway Commission		
Subject: Authorizes issuance of additional toll bonds		Analyst: Alan M. Boxberger

BONDS OR INCREASE SG EX See Note Page 1 of 2
 Authorizes the Greater New Orleans Expressway Commission to issue additional toll bonds. (gov sig)

Proposed law authorizes the issuance of toll bonds not exceeding \$133,000,000 for constructing improvements and betterments to the New Orleans Expressway. Proposed law authorizes the refunding of existing indebtedness.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will likely result in a significant increase in SGR expenditures for the Greater New Orleans Expressway Commission (GNOEC). Proposed law authorizes the GNOEC, with approval of the State Bond Commission and the governing bodies of each of the relevant parishes, to issue toll bonds for the purposes of refunding, refinancing, restructuring, extending or unifying the whole or in part of its outstanding toll bonds to finance the cost of specific improvements and betterments to the expressway and to pay for the cost of the issuance of said bonds. Proposed law specifies that the amount of toll bonds authorized shall be issued in an amount not exceeding \$133,000,000 exclusive of refunding bonds, provided that the expenditure of any toll bond proceeds shall require approval of the respective Senate and House Transportation subject committees and the Joint Legislative Committee on the Budget. Proposed law details specific improvements and betterments to be completed as provided in proposed law, including safety rails (estimated at \$67 M) and safety shoulders (estimated at \$63 M). Proposed law specifies that the toll bonds shall not be supplemented by State Highway Fund No. 2.

GNOEC presented two potential debt service schedules projecting a term of thirty-five years with variable payments, one as a toll bond including a potential TIFIA loan for which the Commission plans to apply and a second as stand-alone toll bond. The projected debt service payments would result in payments of between \$2.3 M and \$12.8 M per fiscal year through FY 50. The two potential scenarios are reflected in the table on page 2.

REVENUE EXPLANATION

GNOEC reports that it would utilize its existing authority to increase toll rates on the Causeway to provide revenues to cover projected expenditure costs. Currently commuters pay \$2 one-way and cash paying customers pay \$3. GNOEC projects that issuance of \$133 M in toll bonds would result in an immediate need to increase tolls 50% above existing cost (\$1 for commuters and \$1.50 for cash). To the extent GNOEC increased tolls the commission would realize a corresponding increase in SGR. GNOEC anticipates it would adjust toll rates for inflation based on the Consumer Price Index every seven years going forward.

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

Evan Brasseaux

Evan Brasseaux
Staff Director

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 273** SLS 16RS 442

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 11, 2016 8:13 AM **Author:** DONAHUE
Dept./Agy.: Greater New Orleans Expressway Commission
Subject: Authorizes issuance of additional toll bonds **Analyst:** Alan M. Boxberger

CONTINUED EXPLANATION from page one:

In the scenario in which the bond series would be paired with a TIFIA loan, payments range from \$2.3 M in the first year (partial year) to a high of 12.4 M in FY 46. Total expenditures in this scenario will total \$296.2 M over the life of the debt repayment schedule. In the scenario in which a toll bond series were issued in isolation, payments range from \$3.4 M in the first year (partial year) to a high of \$12.8 M in FY 45. Total expenditures in this scenario will total \$295 M over the life of the debt repayment schedule.

<u>Year</u>	<u>Series 2016 Bond Debt Service</u>	PLUS	<u>TIFIA Loan Repayment</u>	<u>Total</u>	OR	<u>Standard Series 2016 Bond Debt Service</u>
2017	\$2,313,334			\$2,313,334		\$3,446,826
2018	\$4,998,334		\$1,791,513	\$6,789,847		\$6,756,826
2019	\$4,698,334		\$1,791,513	\$6,489,847		\$6,461,826
2020	\$4,393,334		\$1,791,513	\$6,184,847		\$6,186,826
2021	\$4,073,334		\$1,791,513	\$5,864,847		\$5,866,826
2022	\$3,748,334		\$1,791,513	\$5,539,847		\$5,536,826
2023	\$3,408,334		\$1,791,513	\$5,199,847		\$5,196,826
2024	\$6,793,334		\$1,791,513	\$8,584,847		\$8,601,826
2025	\$6,328,334		\$1,915,488	\$8,243,822		\$8,256,826
2026	\$6,003,334		\$1,887,753	\$7,891,087		\$7,901,826
2027	\$5,669,517		\$1,858,851	\$7,528,368		\$7,533,823
2028	\$5,319,517		\$1,829,024	\$7,148,541		\$7,153,823
2029	\$4,964,517		\$1,797,834	\$6,762,351		\$6,763,823
2030	\$4,659,517		\$1,777,704	\$6,437,221		\$6,443,823
2031	\$7,084,517		\$1,777,704	\$8,862,221		\$8,873,823
2032	\$6,297,055		\$2,476,110	\$8,773,165		\$8,571,108
2033	\$6,022,295		\$2,444,034	\$8,466,329		\$8,256,358
2034	\$5,741,182		\$2,410,706	\$8,151,888		\$7,930,783
2035	\$5,449,682		\$2,376,091	\$7,825,773		\$7,595,623
2036	\$5,154,045		\$2,340,153	\$7,494,198		\$7,247,148
2037	\$4,840,193		\$2,302,857	\$7,143,050		\$6,886,790
2038	\$9,665,019		\$2,264,164	\$11,929,183		\$11,996,211
2039	\$8,665,555		\$3,196,296	\$11,861,851		\$11,644,551
2040	\$8,346,693		\$3,159,571	\$11,506,264		\$11,275,613
2041	\$8,019,417		\$3,121,196	\$11,140,613		\$10,896,472
2042	\$7,679,783		\$3,081,402	\$10,761,185		\$10,503,313
2043	\$7,329,112		\$3,039,874	\$10,368,986		\$10,097,589
2044	\$6,963,252		\$2,996,841	\$9,960,093		\$9,680,144
2045	\$9,148,334		\$2,952,122	\$12,100,456		\$12,756,826
2046	\$8,288,234		\$4,121,201	\$12,409,435		\$12,428,226
2047	\$8,025,134		\$4,079,069	\$12,104,203		\$12,090,826
2048	\$7,754,834		\$4,035,112	\$11,789,946		\$11,739,326
2049	\$7,477,334		\$3,989,416	\$11,466,750		\$11,373,726
2050	\$7,187,634		\$3,941,795	\$11,129,429		\$10,999,026
	<u>\$212,510,712</u>		<u>\$83,712,959</u>	<u>\$296,223,671</u>		<u>\$294,952,034</u>

Senate Dual Referral Rules House

- | | |
|--|--|
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input checked="" type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |
|--|--|

Evan Brasseaux

Evan Brasseaux
Staff Director