

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number SB1101

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Williams

3. Committee Transportation

4. Title Hampton Roads Toll Facility Authority

5. Summary/Purpose: The proposed legislation would establish the Hampton Roads Toll Facility Authority and transfer from VDOT to the Authority control of and responsibility for seven specifically named facilities in Hampton Roads and allow the Authority to impose and collect tolls for use of those facilities.

6. Fiscal Impact Estimates are: Preliminary. See Item 8.

7. Budget amendment necessary: None.

8. Fiscal implications: The proposed legislation creates the Hampton Roads Toll Facility Authority (the Authority), which is authorized to impose and collect tolls on the following facilities in the Hampton Roads region:

- The George P. Coleman Memorial Bridge (U.S. Route 17 bridge across the York River between Gloucester County and Yorktown);
- The James River Bridge (U.S. Routes 17 and 258 and Virginia Route 32 bridge between Newport News and Isle of Wight County);
- The Monitor Merrimac Memorial Bridge-Tunnel (Interstate Route 664 bridge-tunnel across/beneath Hampton Roads between Newport News and Suffolk);
- The Hampton Roads Bridge-Tunnel (Interstate Route 64 and U.S. Route 60 bridge-tunnel across/beneath Hampton Roads between Hampton and Norfolk);
- The Midtown Tunnel (U.S. Route 58 tunnel beneath the Elizabeth River between Norfolk and Portsmouth);
- The Downtown Tunnel (Interstate Route 264 tunnel beneath the Elizabeth River between Norfolk and Portsmouth);
- The Interstate Route 64 bridge over the Elizabeth River in Chesapeake; and
- U.S. Route 17 in the City of Chesapeake.

Proceeds from any tolls on the above facilities are to be used in accordance with federal requirements and to fund the Authority's expenses in carrying out its duties and obligations.

In 1996, \$43.3 million in toll revenue bonds were issued by the Commonwealth's Treasury Board in accordance with General Assembly 9 (c) bond authorization. The proposed legislation directs that the Authority's ability to impose tolls on the Coleman Bridge

would be subject to requirements of any applicable bond indenture imposed before July 1, 2007. However, the obligation to use toll revenue to support the debt service on the bonds is required through a memorandum of understanding between the Treasury Board and the Commonwealth Transportation Board, and not through a bond indenture. As such, it is not clear if the provision in the proposed language would prohibit the Authority from using Coleman Bridge toll revenue for other purposes. If the Authority does not return the toll revenue to VDOT to pay the debt service on the outstanding bonds, the obligations on the bonds would impact the Commonwealth's debt capacity. The bond holders possess general obligation bonds, which pledge the full faith and credit of the Commonwealth. While the general obligation bonds are backed by the general fund, the General Assembly could direct that other funds be used to support the debt service. If the Authority returns the toll revenue to VDOT, the current arrangement for the payment of debt service may remain.

The proposed legislation would grant the Authority the power to construct or acquire highways, bridges, tunnel, railroads, rail facilities or other transportation related facilities.

The proposed legislation contains an enactment clause that states that the Commonwealth Transportation Board (CTB) shall continue to allocate to VDOT sufficient funding for the maintenance and operation of the facilities under the control of the Authority until such time as the appropriate parties agree in writing. At such time, it is presumed the maintenance and operation costs of the facilities under the control of the Authority would become the responsibility of the Authority, and VDOT would no longer expend the funds. Those funds would then be available for other transportation priorities. It is unclear the amount of revenue VDOT would save by transferring maintenance responsibilities to the Authority.

9. Specific agency or political subdivisions affected: Commonwealth Transportation Board, Department of Transportation, City of Chesapeake, Gloucester County, City of Hampton, Isle of Wight County, City of Newport News, City of Norfolk, City of Portsmouth, City of Suffolk, City of Virginia Beach, and York County

10. Technical amendment necessary: The proposed legislation appears to conflict with §9 of the first enactment of Chapter 799 of the Acts of Assembly of 1993, which grants authority to the CTB to revise, charge, and collect rates, fees, tolls and other charges for or in connection with the use of the George P. Coleman Bridge. The CTB is also authorized to pledge such rates, fees and charges remaining after payment of the expenses of operating and maintaining the project, to the payment of the principal of, premium, if any, and interest on the bonds issued for such capital project. The bill exempts its provisions from Title 33.1, but as the above enactment was not codified, it appears to conflict with the provisions of the proposed legislation.

11. Other comments: None.

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cc: Secretary of Finance

Secretary of Transportation