

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB643

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Abbit

3. Committee Passed Both Houses

4. Title Dept. of Conservation & Rec. to accept abandoned railroad property

5. Summary/Purpose: The bill authorizes the Department of Conservation and Recreation to accept from the Norfolk Southern Corporation approximately 35.66 miles of abandoned railroad right-of-way running through the Counties of Appomattox, Cumberland, Nottoway and Prince Edward.

6. Fiscal Impact Estimates are final: Phase 1 development and construction costs are estimated to be \$5.4 million. Phase 2 costs are estimated to be \$6 million. Operational costs per year are estimated to be \$175,000 for each phase for a total operating cost of \$350,000 (including 4 FTEs) when the project is fully developed. Expenditures included in this statement are based on land banking the property until development and operating funds are provided. Costs to land bank will be a minimum of \$25,000 annually for signage, gates and security patrols.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	-	-	-
2004-05	25,000	-	GF
2005-06	25,000	-	GF
2006-07	25,000	-	GF
2007-08	25,000	-	GF
2008-09	25,000	-	GF
2009-10	25,000	-	GF

6b. Revenue Impact: SEE ITEM 8.

7. Budget amendment necessary: No, the department can absorb the security costs associated with protecting the property.

8. Fiscal implications: The bill will have a fiscal impact on the state. The expenditure impact reflects the short-term costs of signage, gates, and security patrols for the unimproved property. The long-term costs include the first phase of development and construction costs to convert the property into a state park, which are estimated to be \$5.4 million. The second phase of development costs are estimated to be \$6.0 million. Operating costs of the park are estimated to be \$175,000 a year after the first phase and \$350,000 a year after the second year

(including 4 FTEs), when the project is fully developed. The development and operating costs are not included in the cost expenditure impact in Item 6a because funding it not likely to be provided for this project until higher priority projects in process or being planned at many other parks are completed.

No revenue is anticipated until the property is developed as a park and opened to the public. It is anticipated that parking fees will be collected using an honor system with pipe safes. Parking would generate one dollar per vehicle and a conservative estimate would be 10,000 vehicles the first year with the number doubling each year for the first five years.

9. Specific agency or political subdivisions affected: Department of Conservation and Recreation.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 03/16/04 / mst

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cc: Secretary of Commerce and Trade