

# **TASK FORCE ON THE CRESCENT CITY CONNECTION**

Report: February 1, 2012

This written report, which is comprised of the Crescent City Connection Task Force's findings and recommendations, is submitted to the Louisiana House of Representatives and Senate Committees on Transportation, Highways and Public Works and the Joint Legislative Committee on the Budget pursuant to Louisiana Senate Concurrent Resolution No. 47.

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## Purpose and Composition of the Task Force

Senate Concurrent Resolution No. 47, passed in the 2011 Regular Session of the Louisiana Legislature, created the Task Force on the Crescent City Connection and the Crescent City Connection Advisory Panel (collectively “Task Force”). The Task Force was formed, in part, at the request of the Regional Collaborative formed by Westbank civic and business leadership organizations who requested the creation of a task force to evaluate the future of the Crescent City Connection Division (“CCCD”), tolls, ferry service and other aspects of the CCCD’s future operations.<sup>1</sup> The Task Force is comprised of 10 persons representing the business and civic interests of the Westbank and a 3 member non-voting advisory panel.<sup>2</sup> Rhett A. Desselle, P.E., of the DOTD, served as the non-voting Chairman of the Task Force.

### Task Force Members:

1. William D. Aaron, Jr., representing Jefferson Business Council;
2. Manuel F. Blanco, representing Greater New Orleans, Inc. (GNO, Inc.);
3. Fay C. Faron, representing Friends of the Ferry;
4. Brian L. Heiden, representing Harvey Canal Industrial Association;
5. Richard A. Legendre, representing Jefferson Chamber of Commerce;
6. Pamela J. Lormand-Bialous, representing Algiers Neighborhood Presidents Council;
7. Glenn P. Orgeron, representing Algiers Economic Development Foundation;
8. David M. Pavlovich, representing Plaquemines Association of Business and Industry;
9. Frederick J. Sigur, Jr., representing St. Bernard Chamber of Commerce
10. Michael J. Teachworth, representing West Jefferson Civic Association, Terry Town Civic Association, Inc., and Westbank Redevelopment Corporation, Inc.

### Task Force Advisory Panel:

1. Brian R. Bubrig, representing Port of New Orleans, Plaquemines Port, Harbor & Terminal District, St. Bernard Port, and Harbor Terminal District;
2. Walter Brooks, representing Regional Planning Commission; and
3. Stanton W. Salatha, representing Jefferson Economic Development Commission (JEDCO).

Pursuant to Senate Concurrent Resolution No. 47, the Task Force studied, evaluated, analyzed and reviewed all aspects of the operation of the CCCD, including but not limited to, financial studies, audits, reports, and regional and national best practices regarding the following areas:

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<sup>1</sup> SCR No. 47, at p. 1.

<sup>2</sup> SCR No. 47, at p. 2.

- (1) structure of administration;
- (2) governance;
- (3) current and future maintenance of the bridge structure, including all ramps and ancillary areas within its jurisdiction;
- (4) efficient traffic control on the bridge;
- (5) potential sources and uses of all revenues, including consideration of bond capacity for predetermined infrastructure improvements; and
- (6) administration, maintenance, and costs to operate the ferry service system.<sup>3</sup>

As mandated by Senate Concurrent Resolution No. 47, the written report from the Task Force outlining its findings and recommendations is being submitted to the House and Senate Committees on Transportation, Highways and Public Works and the Joint Legislative Committee on the Budget no later than February 1, 2012.<sup>4</sup>

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<sup>3</sup> SCR No. 47, at p. 4.

<sup>4</sup> SCR No. 47, at p. 4.

## Executive Summary of Findings and Recommendations

### A. Lack of Clarity in Resolution Challenges Task Force

The CCC Task Force first met on July 29, 2011. At that early meeting and at virtually each of the 14 meetings of the Task Force, one issue was predominant: exactly what was the job of the Task Force. The Original version of the Senate Concurrent Resolution No. 47 began with the Preamble that the Resolution was “To authorize and direct creation of the ‘Task Force on the Crescent City Connection’ to analyze re-authorization of tolls, ...” That language in the Preamble later was amended in the Enrolled version to read that the Resolution was “To authorize and direct creation of the ‘Task Force on the Crescent City Connection’ and the ‘Crescent City Connection Advisory Panel’ to analyze the transition to a toll-free bridge, ...” Some on the Task Force would argue that the later Resolution as passed controlled, and thus, the mission was to analyze a transition to a “toll-free bridge.”

This conundrum was further complicated by the wording within the body of the Resolution which specifically directed the Task Force to “study, evaluate, analyze, and review all aspects of the operation of the Crescent City Connection Division, including but not limited to, financial studies, audits, reports, and regional and national best practices regarding the following areas: (1) structure of administration; (2) governance; (3) current and future maintenance of the bridge structure, including all ramps and ancillary areas within its jurisdiction; (4) efficient traffic control on the bridge; (5) potential sources and uses of all revenues, including consideration of bond capacity for predetermined infrastructure improvements; and (6) administration, maintenance, and costs to operate the ferry service system. When considering potential sources and uses of all revenues, and notwithstanding the Resolution’s Preamble language regarding “a transition to a ‘toll-free’ bridge,” the consensus was that the direction in the body of the Resolution included the consideration of tolls as a “potential source of revenue.”

The Task Force sought clarity of the mission as to the “toll-free” transition. However, none was forthcoming. Once, the Task Force received a briefing from a staff attorney from the Louisiana House of Representatives who indicated that the Task Force could do whatever it desired with regard to tolls or toll-free analysis, and that it was not constrained by the wording of the resolution. Regretfully, it was later discovered that the staff attorney who briefed the Task Force had been disbarred some years earlier, and thus the Task Force sought further clarity from the Louisiana House and from the Department of Transportation and Development. However, no further guidance was forthcoming. Nevertheless, in many a session of the Task Force, there was considerable discussion as to how to address the issue of continuing tolls as a means of financing bridge and ferry operations as opposed to transition to a toll-free environment.

Three attorneys are members of the Task Force, Glenn Orgeron, William Aaron and Pamela Lormand. Those attorneys advised the Task Force that while some have argued that the intent of the Legislature was shown in the Preamble to the Resolution, the Louisiana Supreme Court has held that it is a cardinal rule of statutory construction that the preamble of an act of the

legislature is not part of the law, and cannot be utilized to discern the intent of the legislature where no doubt exists as to the meaning of the statute. *State v. Barbier*, 743 So. 2d 1236, 1239 (La. 1999); *Green v. Louisiana Underwriters Ins. Co.*, 571 So. 2d 610 (La. 1990). One cannot place the “cart before the horse,” *i.e.*, one must not resort to the preamble as a first step in construing the statute. The first order of business is to look at the language of the statute itself. *Barbier*, *supra* at 1239. Moreover, when a law is clear and unambiguous and its application does not lead to absurd consequences, it shall be applied as written and no further interpretation may be made in search of legislative intent. La. Civ. Code, art. 9; *State v. Johnson*, 884 So.2d 568, 575 (La. 2004); *Burnette v. Stadler*, 789 So 2d 573, 577 (La. 2001); *Tensas Poppadoc, Inc. v. Chevron USA, Inc, et al*, 58 So. 3d 473 (La. App. 3d Cir. 2009). While some on the Task Force have suggested that we have the authors of the Resolution testify before the panel, the Louisiana Supreme Court has held that the function of statutory interpretation and the construction given to legislative acts rests with the judicial branch of the government. *Red Stick Studio Development, L.L.C. v. State of Louisiana Department of Economic Development*, 56 So. 3d 181, 187 (La. 2011). The post-enactment statement of legislators on legislative intent has generally been excluded as having “limited value to an understanding of the clear meaning and legal effect of a statute.” *East Baton Rouge Parish School Board v. Foster*, 851 So. 2d 985, 999 (La. 2003).

Ultimately, the Task Force followed the language within the Resolution as opposed to the limitation contained in the Preamble, and, in accordance with the direction within the Resolution, submitted a written report of its findings and recommendations” which included an analysis of both a continuation of tolls and a toll-free operation, and recommendations as to which the Task Force favored as more feasible.

## **B. Common Ground**

While there is much disagreement among some members of the Task Force regarding the source(s) and adequacy of future funding of the CCC operations without tolls, there is considerable agreement as to the necessity of continued “essential services.” The Task Force agreed that the following “essential services” must be maintained by whatever means of financing occurs in the future.

- (a) **Police and Traffic Control:** All Task Force members agreed that policing and traffic control must be maintained for the efficient operation of the bridge. Policing currently costs \$2.5 million. Those who favored continuation of tolls would maintain the police budget at \$2.5 million paid from toll funds and Highway Fund #2 revenue. Those who favored a toll-free option would also maintain the police budget at \$2.5 million paid from Highway Fund #2 to the Louisiana State Police (“LSP”); the LSP would plan to use private security patrols of the ferries and ferry terminals. Whether funding for such ferry security patrols would come from the State Police budget, a private company who takes over operation of the ferries, or DOTD is presently undetermined.

- (b) Lighting of the Bridge and the associated ramps and lower roads: Those who favored continuation of the tolls would maintain the current expenditures of \$800,000 paid from toll funds and Highway Fund #2 revenue. Those who favored a toll-free option would also maintain the current expenditure of \$800,000 paid from Highway Fund #2 revenue.
- (c) Landscaping, Grass Mowing and Trash Pickup/Litter Collection: Those who favored continuation of tolls would maintain the landscaping and trash pickup budget at its present \$1.2 million paid from toll funds and Highway Fund #2 revenue. Those who favored a toll-free option would also maintain the landscaping and trash pickup budget at its present \$1.2 million paid from Highway Fund #2.
- (d) Ferries:
  - (1) Operation and Maintenance: Those who favored continuation of tolls would subsidize O&M for the ferries from toll funds and Highway Fund #2, imposition of pedestrian fares for the ferries commensurate with other public transit fares in the New Orleans Metro area (which is currently \$1.25),<sup>5</sup> increased vehicle fares, and utilization of concession and advertising revenue. Those who favored a toll-free option would shift the O&M for ferries to the State and/or DOTD, with the recommendation that the State impose pedestrian fares for the ferries commensurate with public transit fares in the New Orleans Metro area (which is currently \$1.25), increase vehicle fares, and utilization of concession and advertising revenue to offset the State and/or DOTD costs.
  - (2) Capital expenditures: Those who favored continuation of tolls would provide for capital for new, efficient ferries from toll funds and Highway Fund #2, imposition of fares for the ferries, and utilization of concession and advertising revenue. Those who favored a toll-free option would shift capital expenditures, including the purchase of new, efficient ferries to the State and/or DOTD.
- (e) Bridge:
  - (1) Operation and Maintenance: Those who favored continuation of tolls would provide for maintenance funding of \$1.8 million from toll funds and Highway Fund #2. Those who favored a toll-free option would shift O&M for the Bridge to the State and/or DOTD.
  - (2) Capital expenditures: Those who favored continuation of tolls would provide for capital expenditures for the bridge from toll funds and

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<sup>5</sup> Increase of pedestrian fares for the New Orleans Metro ferries, *i.e.* Gretna, Algiers and Chalmette, will require legislative action.

Highway Fund #2. Those who favored a toll-free option would shift all capital expenditures to the State and/or DOTD.

While not considered an essential service, Act No. 59 mandated 13 projects to be funded by toll operations on the CCC. Regretfully, few of the projects have been completed. Given that the public has paid tolls in anticipation of the community enhancing projects, the “continuation of the tolls” option and the “toll-free” option take significantly different approaches to those projects:

- (1) Those who favored continuation of tolls would provide for execution of the projects through a proposed minimum of \$150 million bond issue utilizing toll and Highway Fund #2 as a source of secure revenue, along with the assistance of the Regional Planning Commission.
- (2) Those who favored a toll-free option would finance the execution of road projects using the Transportation Trust Fund, along with the assistance of the Regional Planning Commission, in the same fashion in which road projects are financed everywhere else in the State, as well as Parish funds for those projects that do not fall within the DOTD/TTF.

### **C. Summary of Findings**

It is the opinion of the majority of the Task Force that elimination of the tolls will result in a reduction in the level of current services funded by tolls, elimination of the regions ability to control its own destiny as to maintenance and capital improvements, reduction in ferry service, significant dependence on limited state funding and elimination of mandated toll-funded projects. While the extent of the impact of this greater reliance upon limited state funds and reduction in services may not be fully realized until a later, but not so distant date, the impact will be felt as prices continue to increase and state funds continue to become more limited for the needs of all Louisianians. The tolls provide the Greater New Orleans area with a means to provide for itself and to ensure that its quality of life is not disturbed by the needs and demands of the remainder of the state.

Renewal of tolls coupled with movement to “best practices” operations, including electronic tolls, provides the best opportunity for the region to maintain the iconic CCC as an exceptional vital link in the continued economic development of the region and the level of services and quality of life the residents of the region have come to expect and depend upon. Somewhat stagnated and Balkanized prior management lacked internal innovation to address needed changes, but spent heavily and at times, needlessly, on consultants. Oversight at the State level was inadequate to cause meaningful changes in operations to fully meet the expectations of the toll paying public.

Over the course of six (6) months, the Task Force held 14 public meetings to consider the voluminous written materials and numerous oral presentations that were provided regarding the current and future operations of the Crescent City Connection Division (“CCCD”), bridges No. 1 and No. 2, and the ferry boat operations maintained by the CCCD. The documents and information presented to the Task Force are listed in Addendum A of this Report.

The Task Force considered all six areas mandated by Senate Concurrent Resolution No. 47, and the findings and recommendations of each are outlined *infra*. In formulating its recommendations, the Task Force considered all available funding sources made known to it and considered the future of the Crescent City Connection bridges and the ferries under two scenarios, *i.e.* continuation of the tolls and sunset of the tolls.

The history of the CCCD and its operations have been exhaustively outlined in documents provided both to the Task Force and the Legislature. As such, it will not be repeated in this report. However, it must be noted that while the focus for many has been on the CCCD’s operations of Bridges No. 1 and No. 2 and the ferry operations across the Mississippi River, the CCCD provides many more amenities and services to the residents of the Greater New Orleans area. The CCCD has a jurisdiction of more than 13 miles of roadway that extends from the Broad Street overpass on the East Bank to Highway 90 on the West Bank. This jurisdiction consists of the elevated structure and the lower level roadway, not simply the Bridges and the approaches. Other roadways within the CCCD’s jurisdiction include portions of Mardi Gras Boulevard, Shirley Drive and General DeGaulle Drive in Orleans Parish. Additionally, the CCCD is responsible for ferry operations across the Mississippi River in Gretna, Algiers, and Chalmette. The CCCD is responsible for maintenance of these areas, policing, capital improvements, roadway maintenance, ferry boat operations and maintenance, ferry terminal and landing maintenance, bridge and roadway lighting, roadway, bridge and green space trash collection and landscaping.

Not only are the Bridges and ferries well-recognized symbols of New Orleans, these transit arteries are a vital economic lifeline for the West Bank and necessary for the West Bank’s economic development and contribution to the Greater New Orleans area. Much of the area’s heavy trucking, commercial trade involving petroleum and other products from South Louisiana are heavily dependent on reliable transit across the CCC. There are only two ways to cross the Mississippi River - by bridge or by ferry. To restrict, limit or eliminate one of these transit arteries is expected to have an adverse effect on an already strained transit system. For example, if ferry service is eliminated due to insufficient funds, the commuters using this artery will be forced to traverse Bridges No. 1 and No. 2 (or to drive more than 12 miles to the Huey P. Long Bridge to cross over). Bridges No. 1 and No. 2 are currently operating over the designed capacity, and there appears to be no plans to increase capacity in the foreseeable future. Eliminating ferry service would displace an estimated 2.9 million travelers<sup>6</sup> annually who currently use all three ferries. Estimates on how elimination of the ferry system would affect the

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<sup>6</sup> 12/2/11 Meeting Presentation by S.W. Leader, Inc.

bridge cannot be accurately calculated, but it would be naive to assume it would not add significant traffic to a bridge already at capacity (with an estimated 180,000 cars traversing the bridges daily). Additionally, an estimated 11,000 workers are expected to populate Federal City by 2013 and many of those will undoubtedly use the bridge as well. It should also be noted that the impact, if any, of the Huey P. Long Bridge expansion and reopening on use of the Crescent City Connection Bridges is currently unknown.

If the tolls are allowed to sunset, there will be neither sufficient funding to provide the level of service or the type of service necessary to maintain Bridges No. 1 and No. 2 at their current levels nor to continue ferry operations. Short term operation of the Bridges, lighting and policing may be possible at a greatly reduced level of service on a restrictive budget dependent upon the fluctuating monies accrued under Highway Fund No. 2 as its primary source of income. Under the current statutory law, if a no-tolls scenario is implemented, the future of the ferry system, which is a vital transit organ of the Greater New Orleans area, remains questionable at best given the shortage of funds. With the sunset of the tolls will also come increased dependence upon the State and DOTD to distribute very limited funds to maintain the Bridges and a significant decrease in the ability for this community to determine how monies are spent to preserve what has become an icon in the Greater New Orleans area, a recognized symbol worldwide and a critical piece of the infrastructure that facilitates commercial transportation and port operations. The Bridges will simply be one of more than 13,000 bridges in the Louisiana system and of approximately 1,500 in the region vying for limited state funds.

The long term implications and impact must be considered in determining whether the tolls should be allowed to sunset on December 31, 2012. If the tolls are not continued, the Greater New Orleans area's bridges and ferry funding will be reduced to fit within the estimated \$4.6 million funding available from Highway Fund No. 2 (and then only if bonds are taken out by November 2012 and the funds are not redirected to other uses in the area) and any funds that DOTD allocates from the Louisiana Transportation Trust Fund (TTF). Capital improvements such as new, more efficient ferries, terminal improvements, ferry maintenance, bridge painting, and joint/seam repair, to name just a few, would become the responsibility of the State of Louisiana with funds being distributed from the limited budget of the TTF.

There are expected to be some funds in the operational account of the CCCD if the tolls are allowed to sunset. Those funds are currently projected to be \$10,000,000.00 to \$15,000,000.00, and the Task Force has given great consideration to the fact that if the tolls sunset, any remaining funds should be used to fund capital projects.

Continuation of the tolls is not without issues. Past operations of the CCCD have gone unaudited, and there has been mismanagement of funds through unnecessary expenditures on insurance policies and consulting contracts. While the Task Force recognizes that DOTD has made considerable strides and improvements in CCCD management over the past couple of years, additional improvements and restructuring using best practices are necessary in order to ensure that the Greater New Orleans area citizens who are paying the tolls realize good value and

excellent service for the added burden of tolls. As such, continuation of tolls must be accompanied with an overhaul of the CCCD and its operations to ensure improvement of the bridge management structure, a more efficient tolling system that minimizes the operational costs, and elimination of duplicative services.

Continuation of the tolls will continue to provide the residents and business interests in the Greater New Orleans area with an enhanced level of service that other Louisiana Mississippi River bridges do not receive. It will also give the region access to capital funds necessary to accomplish large essential expenditures like bridge painting and seam repairs. These funds will be free from political interference and interests and can assist the Regional Planning Commission in procuring federal funds for projects aimed at improving the quality of life for West Bank residents and business owners. While extension of the tolls may be not favored by some, extension of the tolls will allow us, as a region, to get quality service for vital economic and transit arteries, with beneficial community enhancing projects that would not otherwise be available with limited state resources.

Some argue that with effective political clout in the Legislative, tolls would not be necessary. The majority view of the Task Force is that political clout is a function of time and personnel, and it rises and falls with individuals and groups. Furthermore, to some extent, it has been politics which has created some of the mismanagement issues related to alleged wasteful spending in the past. By having funding divorced from political pressure and/or favoritism, financial certainty can be established irrespective of individual political agendas.

#### **D. Recommendations**

After careful consideration of the voluminous information provided to the Task Force, the Task Force met on January 20, 2012, and with a quorum present, voted 7-1 in favor of recommending to the Legislature that tolls be renewed and not allowed to expire on December 31, 2012. The votes were cast as follows:

Members in favor of extending the tolls:

1. William D. Aaron, Jr., representing Jefferson Business Council;
2. Fay C. Faron, representing Friends of the Ferry;
3. Brian L. Heiden, representing Harvey Canal Industrial Association;
4. Richard A. Legendre, representing Jefferson Chamber of Commerce;
5. Pamela J. Lormand-Bialous, representing Algiers Neighborhood Presidents Council;
6. Glenn P. Orgeron, representing Algiers Economic Development Foundation; and
7. David M. Pavlovich, representing Plaquemines Association of Business and Industry.<sup>7</sup>

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<sup>7</sup> Members Frederick J. Sigur, Jr., representing St. Bernard Chamber of Commerce, and Manuel F. Blanco, representing Greater New Orleans, Inc. (GNO, Inc.) were not present at the meeting.

Members opposed to extending the tolls:

1. Michael J. Teachworth, representing West Jefferson Civic Association, Terry Town Civic Association, Inc., and Westbank Redevelopment Corporation, Inc.

Detailed outlines of the findings and recommendations follow. A summary of those recommendations made by the Task Force are as follows:

1. Establish the Mississippi River Transportation Authority (MRTA) under the umbrella of DOTD to ensure the maintenance of effective, functioning, reliable transit arteries to traverse the Mississippi River for the economic benefit and quality of life of all West Bank businesses and residents.<sup>8</sup>
2. Establish a MRTA Oversight Authority to be comprised of 13 members who are representative of the business and neighborhood association interests from the Westbank and who are not appointed by Legislators to ensure that the groups funding the tolls are directly involved in the decisions made regarding spending of funds, priority of capital regional projects and maintenance projects on the Mississippi River transit systems. The Oversight Authority is to report regularly to the Louisiana Legislature or to the State Auditor.<sup>9</sup>
3. Consolidate some functions of CCCD within DOTD (prior to MRTA) to streamline the efficiency of the operation and reduce administrative costs (examples include the IT, Human Resources, Legal and Accounting Departments).<sup>10</sup>
4. Create performance based criteria that must be met yearly as a benchmark for success to ensure accountability and that all projects are completed and handled responsibly. The Executive Director of MRTA should be required to report quarterly to the Oversight Authority and/or State Auditor.<sup>11</sup>
5. Renew the tolls to ensure that the maintenance and services presently being provided on the bridges, ramps, ancillary areas and ferries will continue, including bridge and roadway maintenance (including pothole repair and joint repair), annual bridge inspection, street sweeping, grass cutting, trash pickup, landscaping, lighting, police/traffic controls/incident management and ferry operations and maintenance. This allows the region to ensure that the maintenance projects currently needed on the bridge and ancillary areas (which are currently estimated to be at a minimum \$65 million) are performed in a timely manner and within a time period expected by the Westbank population, such as joint repairs and East Bank steel substructure work, Canal Street ferry

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<sup>8</sup> See *infra* pp. 15-16.

<sup>9</sup> See *infra* p. 17.

<sup>10</sup> See *infra* p. 15-16.

<sup>11</sup> See *infra* p. 15-16.

facility escalator rehabilitation, ferry landing fender and bumper repairs/replacements and repair of the Algiers pedestrian access bridge. This also allows the region to provide the funding or seed money to complete the regional projects that were identified by the Legislature.<sup>12</sup>

6. Issue Bonds for Completion of the Legislatively Mandated Projects with the use of the toll money as the primary revenue stream for bonds to obtain a bond issue in the minimum amount of \$150 million. Tie in the benchmarks or performance criteria for each project to ensure that funds are not wasted on unnecessary studies and consultant fees.<sup>13</sup>
7. Crescent City Connection Police Department must continue to implement recommendations made in the 2008 and 2010 studies, and allow the CCCPD to continue to operate separate from the local jurisdictions to allow for the flexibility that this police force needs in order to determine the number of officers needed to effectively manage its responsibilities. This ensures that the CCCPD will not be redirected by another agency or police force to other duties not consistent with traffic control and policing of the CCCD jurisdiction, and it ensures that the ferry boats and terminals will receive the same or even enhanced security. CCCPD must submit to an annual audit along with periodic reporting to the MRTA Oversight Authority to ensure that the best practices are being employed and that recommendations for improvements have been made.<sup>14</sup>
8. Utilize/initiate best practices to operate the tolling system to maximize efficiency and value to the users of the Greater New Orleans Metro Transit System. This may require going to an all electronic system and enhanced HOV-2 lane usage with premium toll rates (to allow for single occupant users to opt for less congestion on the HOV-2 lanes with payment of a premium), and will require improvement to the customer service areas of the system.<sup>15</sup>
9. Solicitation for Request for Proposals for Privatization of the Metro area ferry service and increase/institution of fares on the ferry systems that is commensurate with other public transit fares in the New Orleans Metro area. Advertising, concessions and leasing of terminal space should be instituted in order to offset the expenses of the ferry system.<sup>16</sup>
10. Federal grants must be applied for on an annual basis to offset some of the cost of the capital expenditures for the ferry system, boats and terminals.<sup>17</sup>

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<sup>12</sup> See *infra* pp. 23-24, 36-38.

<sup>13</sup> See *infra* pp. 23-24.

<sup>14</sup> See *infra* pp. 26-27.

<sup>15</sup> See *infra* pp. 36-38.

<sup>16</sup> See *infra* pp. 44-45.

<sup>17</sup> See *infra* pp. 44-45.

11. Changes in the three ferry routes in the current CCCD system ((1) Chalmette/Lower Algiers (2) Algiers/Canal St. (3) Gretna/Canal St.) must be tailored to fit the ridership.<sup>18</sup>

The majority-favored Toll Option portion of the Report follows immediately behind this page. The No Toll minority endorsed option follows immediately behind the recommendations of the majority of the Task Force and begins on page 46. Whenever either portion of the report indicates that the “Task Force recommends”, the reader must recognize that unless otherwise stated, the particular recommendations in the main portion of the report are those of the majority of the Task Force (7 voting in favor of those recommendations), while the recommendations in the “no tolls” section of the report came from a minority of the Task Force (1 voting in favor of the no tolls recommendations).

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<sup>18</sup> See *infra* pp. 44-45.

## CCC TASK FORCE ANALYSIS AND RECOMMENDATIONS

### **I. Structure of Administration**

#### A. Analysis of Structure of Administration

The CCCD is under the Office of Operations within the Louisiana DOTD and the organizational charts of both entities document overlap in services that could be consolidated.<sup>19</sup> Consolidation of some services may be feasible regardless of the future of the tolls and should be undertaken.

The Louisiana DOTD is responsible for:

- 16,666 miles of roadway and 895 miles of interstate
- 13,204 Bridges (7,982 state-owned, 5,222 locally owned)
- 62 general aviation airports
- 7 commercial airports
- 7 deep draft ports (including LOOP)
- 34 shallow draft port authorities
- 11 urban and 32 rural public transit systems
- 19 freight railroads, 2, 789 miles of railroad track
- public works for northern levee districts
- 555 regulated dams
- 27 locks on waterways
- 2,800 miles of navigable waterways (274 deep draft river miles, 2,526 shallow draft river miles)
- mowing of 3.6 million acres annually
- collecting 71,000 cubic yards of litter annually
- 16 rest areas
- 8 ferry service locations
- more than 3,000 highway rail crossings
- more than 3,000 traffic signals
- more than 1,000,000 traffic signs and
- over 745 buildings<sup>20</sup>

To maintain all of these responsibilities, DOTD has \$1.7 billion in capital and operating revenue and expenditures, which includes the monies collected in tolls for the CCCD and \$607,000,000 in the Louisiana Transportation Trust Fund (“TTF”).<sup>21</sup> If tolls cease, ferry service

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<sup>19</sup> Organizational Charts of DOTD and CCCD, 8/12/11.

<sup>20</sup> Overview of Louisiana DOTD, 8/12/11, at pp. 2-3.

<sup>21</sup> *Id.* at p. 3.

for the Lower Algiers/Chalmette ferry system (which would be the only CCC ferry eligible for TTF funding)<sup>22</sup>, maintenance of the elevated expressway and mowing would compete for a portion of the \$607,000,000 utilized by the entire state in the TTF. Restrictions on the use of TTF funds would result in no funding for the Algiers/Canal Street ferry nor the Gretna/Canal Street ferry. To meet its duties, the DOTD currently employs over 4,490 persons, including the 195 persons who are employed with the CCCD.<sup>23</sup>

The CCCD is responsible for:

- management of the CCCD's accounting
- human resources
- IT and IT network structure support
- customer service centers
- maintenance of building facilities and grounds (grass cutting, trash pickup, building maintenance, landscaping, tree maintenance)
- BEST truck
- toll collections
- roadway light maintenance
- light pole and fixture replacement
- decorative lighting on bridges
- generator maintenance and testing
- marine electrical maintenance - ferries and ferry terminals
- surveillance camera support
- tree and path light maintenance
- pumping station maintenance
- operation of 6 ferry vessels along three navigation routes
- maintenance of a 24 hour per day/7 days per week CCCD Police Force comprised of 25 officers<sup>24</sup>

The mission of the CCCD is to plan, construct, operate, maintain, and police Mississippi River crossings in the parishes of Jefferson, Orleans, and St. Bernard.<sup>25</sup> The statutory authority of the CCCD extends more than 13 miles and covers the elevated expressway, lower expressway,

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<sup>22</sup> DOTD has advised that due to the restriction placed by Louisiana Revised Statute 48:196 that TTF funds be reserved for roads that are within the state highway system that the only ferry that could qualify for TTF funding is the Lower Algiers/Chalmette ferry. *See* discussion *infra* at Subsection VI. DOTD will not operate the Algiers Point/Canal Street ferry or the Gretna/Canal Street ferry with TTF funds, as those "roads" do not connect in the state highway system.

<sup>23</sup> Overview of Louisiana DOTD, 8/12/11, at p. 6.

<sup>24</sup> Overview of Louisiana DOTD, 8/12/11, at p. 9-14, outlining the departments and their respective responsibilities within the Bridge and Marine Operations.

<sup>25</sup> 8/12/11 Meeting Minutes.

Mardi Gras Blvd., Shirley Drive, a portion of General DeGaulle Drive and ferry terminals, landings and boats. The cost for maintenance for those areas are all paid for with toll dollars.<sup>26</sup>

Since January 2010, DOTD has made administrative changes within the CCCD to consolidate some duties, to provide for more oversight and to provide for more efficient operations. Some of these changes have included appointment of new personnel, instituting recommendations for improvements in the police force, in toll collecting and in customer service and in requiring additional reporting and audits.<sup>27</sup> The changes made have had a positive impact by bringing efficiency and accountability to CCCD operations. DOTD has begun the move to a best practices operation.

The long term plan within DOTD is to consolidate tolling operations at DOTD headquarters in Baton Rouge. This will allow DOTD to operate other tolling facilities in the future.<sup>28</sup> Consolidation of IT, Human Resources, Legal and Accounting Departments by utilizing state resources for funding of the department would streamline the efficiency of that portion of the CCCD operation and reduce administrative costs within the CCCD.<sup>29</sup>

While some operations can effectively be consolidated for efficiency, not all CCCD operations should be consolidated. The Greater New Orleans area residents and businesses funding the tolls need assurances that the monies are being spent in the manner specified, on appropriate projects, necessary maintenance, and the regional transit system. Greater local oversight at the local level is needed. This issue is addressed in Section II. (Governance).

## B. Recommendations as to Structure of Administration

1. Establish the Mississippi River Transportation Authority (MRTA) under the umbrella of DOTD.
  - Transfer the rights and obligations of the CCCD to the MRTA.
  - This acknowledges the importance of maintaining effective, functioning, reliable transit arteries to traverse the Mississippi River for the economic benefit and quality of life of all West Bank businesses and residents.
  - MRTA would be responsible for regional Mississippi River Transit on Bridge No. 1 and No. 2, ferries, and various road projects throughout the Westbank.

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<sup>26</sup> 8/12/11 Meeting Minutes.

<sup>27</sup> Overview of Louisiana DOTD, 8/12/11, at p. 7.

<sup>28</sup> 8/26/11 Meeting Minutes.

<sup>29</sup> 8/26/11 Meeting Minutes, wherein DOTD advised that it has better capabilities of handling tolling operations out of Baton Rouge.

- Keeping it under the DOTD umbrella allows for DOTD to assume some responsibilities for operation, oversight and funding of some administrative functions like IT, accounting, legal and human resources.
  - This provides safeguards for oversight on a State level as to the operations of the MRTA.
  - This allows for cohesion and further institution of recommendations of past audits and studies that have been initiated within the past two years.
  - This allows for consolidation of tolling operations at DOTD headquarters for future tolling facilities.
2. Consolidate some functions of CCCD within DOTD (prior to MRTA)
    - CCCD IT Department should be consolidated with DOTD's IT.
    - CCCD Human Resources Department should be consolidated with DOTD's existing department.
    - CCCD Legal, Accounting and any other departments that may be feasible should be consolidated with DOTD's existing department.
    - Utilizing state resources for funding of these departments streamlines the efficiency of that portion of the operation and reduces administrative costs within MRTA.
  3. Create performance based criteria that must be met as a benchmark for success.
    - This would create accountability.
    - To ensure that projects are completed and handled responsibly, all projects should be assigned benchmarks that must be met yearly.
    - Have the Executive Director of MRTA report quarterly to the Oversight Authority.
    - Provide the Oversight Authority with hire/fire authority over MRTA Executive Director.

## II. Governance

### A. Analysis of Governance

The CCCD Oversight Committee is made up of 13 members who serve 4 year terms. The Committee meets quarterly and is responsible for establishing priorities of projects to implement from remaining funds after all operations and management expenses have been covered. The Oversight Committee considers both the maintenance projects that have been identified to be completed as well as funding of projects approved by Revised Statute 47:820.5 (the 13 projects). The Committee reports to the House and Senate Committees on Transportation, Highways and Public Works.<sup>30</sup>

The CCCD Oversight Committee is an important link between the local business and residential interests that are funding the tolls and the administrators of the CCCD and DOTD.

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<sup>30</sup> Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11, at p. 3.

This link is necessary to ensure that region is represented in the best possible manner and in making the decisions for the regional transit system.

**B. Recommendations regarding Governance**

1. CCCD Oversight Committee as an entity is to remain intact but would now be named the MRTA Oversight Authority.
2. Composition of Oversight Authority should be changed.
  - Would be comprised of 13 members who are representative of the business and neighborhood association interests from the Westbank (much like the Task Force business and neighborhood association interests identified in Senate Concurrent Resolution 47) and who are not appointed by Legislators (who will already have an oversight role based upon the administrative arrangement).
  - Each member would be selected by the Governor from a list of three nominees submitted by each group identified (see Senate Resolution No. 47 for listing).
  - Would ensure that the groups funding the tolls are directly involved in the decisions made regarding spending of funds, priority of capital regional projects and maintenance projects on the Mississippi River transit systems
  - Would ensure that the Oversight Authority's sole objective is to service the Mississippi River regional transit system in the best possible way.
  - Would allow for a checks and balances system that provides safeguards for the public's interests.
3. Provide the Oversight Authority with policy responsibilities and authority to act on behalf of the region.
  - Oversight Authority needs to be given authority to make decisions as to projects, funding, and operations of MRTA based upon the region's expectations.
4. Oversight Authority is to report regularly to the Louisiana Legislature or to the State Auditor.

**III. Current and Future Maintenance of the Bridge Structure, Including all Ramps and Ancillary Areas Within its Jurisdiction**

- A. Analysis of Current and Future Maintenance of Bridge Structure, including All Ramps and Ancillary Areas Within the CCCD's Jurisdiction
1. Current Services/Maintenance of Bridge, Ramps and Ancillary Areas

The statutory authority of the CCCD extends more than 13 miles and covers the elevated expressway, lower expressway, Mardi Gras Blvd., Shirley Drive, a portion of General DeGaulle

Drive and ferry terminals, landings and boats. The cost for maintenance for those areas is all paid for with toll dollars.<sup>31</sup>

The CCCD, with the use of toll money, currently provides, and would continue to provide:

- street sweeper (operational two times a week)
  - grass cutting (grass cutting is weekly)
  - trash pickup/litter collection (trash pickup/litter collection is 2 times per week; over the course of one year, the trash collected along the upper and lower Westbank Expressway is comparable to the length and width of a football field with a depth of 2 feet)
  - landscaping maintenance (occurs 8-9 times per year on bed maintenance and tree pruning)
  - bridge and roadway maintenance, including pothole repair and joint repair (performed weekly)
  - bridge inspection (performed yearly)
  - lighting (bridge decorative lighting, roadway lighting, tree and path lighting)
  - motorist assistance (MAP Truck currently paid for by DOTD out of TTF)
  - traffic controls/incident management (CCCD Police Force) (provided 24 hours per day/7 days per week)
  - operations of the HOV lanes (service is provided by the CCCD Police Force)
  - ferry operations and maintenance (service is provided daily)<sup>32</sup>
2. Future Services/Maintenance of Bridge, Ramps and Ancillary Areas (assuming that tolls sunset) to be paid by DOTD and local jurisdictions:
- street sweeper (DOTD to provide one time per month as opposed to two times per week at present CCCD level of service)
  - grass cutting (DOTD would provide one time per month as opposed to weekly cutting at the present CCCD level of service)
  - trash pickup/litter collection (DOTD to provide trash pickup one time per month as opposed to two times per week at CCCD level of service)
  - landscaping maintenance would fall to the local jurisdictions, DOTD does not provide this service
  - bridge and roadway maintenance, including pothole repair and joint repair (DOTD would perform monthly as opposed to weekly service provided by CCCD currently)
  - bridge inspection (DOTD to perform every two years as opposed to the yearly inspection conducted under the CCCD)

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<sup>31</sup> 8/12/11 Meeting Minutes.

<sup>32</sup> 8/12/11 Meeting Minutes; 9/9/11 Meeting; *see also* Comparison of Costs and Services for Crescent City Connection.

- lighting would fall to the local jurisdictions, DOTD does not provide this service
- motorist assistance (MAP Truck would continue to be paid for by DOTD out of TTF - no change)
- traffic controls/incident management (DOTD does not provide this service, this service would fall to the local jurisdictions and the State Police)
- operations of the HOV lanes (service would be provided by DOTD)
- ferry operations and maintenance (DOTD does not provide this service unless the ferry is an extension of a state road, currently none of the three ferries operating in the Greater New Orleans area are within the State Highway System; local government would need to absorb the ferries or privatization of the ferries would need to occur to continue operations)<sup>33</sup>

### 3. Additional Service/Maintenance To Consider

#### a. Capital Costs

The CCCD, through toll monies, presently covers approximately:

- \$6,000,000.00 annually in capital expenditures on Bridge No. 1 and No. 2
- \$2,000,000.00 annually in capital expenditures for the ferry system (including United States Coast Guard required dry docking of ferry boats)
- \$200,000.00 annually in capital expenditures on buildings (for things like roof repairs)<sup>34</sup>

If the tolls sunset, capital expenditures for the ferries will need to be funded either through the local governments or by privatizing the ferry system. DOTD does not provide this type of funding for ferries that are not within the State Highway System or cannot be connected to the State Highway System, such as the Gretna and Algiers ferries. Currently, none of the three ferry routes utilized in the Greater New Orleans area are in the State Highway System.<sup>35</sup> Funding for the Chalmette ferry is feasible through the State, as it can be connected into the State Highway System. However, DOTD has advised that there is insufficient funds currently for the State to absorb the cost of the Chalmette ferry service and the need may arise for Highway Fund No. 2 proceeds currently directed towards the CCCD to be funneled into the TTF to assist in paying for the service. Capital expenditures for the ferry terminals/buildings would also require payment through DOTD's operational fund if the tolls sunset.

Capital expenditures for state bridges, not counting the CCC bridge whose capital expenditures came from toll revenue, are payable through the TTF. However, DOTD utilizes the

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<sup>33</sup> 9/9/11 Meeting; *see also* Comparison of Costs and Services for Crescent City Connection.

<sup>34</sup> 9/9/11 Powerpoint Presentation, at p. 1.

<sup>35</sup> 9/9/11 Meeting; *see also* Comparison of Costs and Services for Crescent City Connection.

“Highway Priority Program”, which is a process approved by the Legislature that prioritizes projects that are paid for with TTF funds throughout the State. To determine priority under the Highway Priority Program, the DOTD considers bridge rating, volume of traffic, and safety considerations. Under the program, projects that are not completed in the year of approval are moved to the top of the list for the next fiscal year. Currently, projects pertaining to bridge maintenance/capital expenditures have been prioritized for the next seven (7) years. Politics are interjected into the priority program, thereby creating greater uncertainty for funding the capital requirements.

TTF would provide for maintenance only and not be available to provide any monies for capital expenditures to add new lanes to the existing Mississippi River Bridges. Moreover, aesthetic maintenance, like bridge painting and touch-ups, are not considered a priority. An example of this is the Baton Rouge Mississippi River Bridge, which was last painted in the 1960's and is currently scheduled to be repainted in 2012, at a cost of \$80,000,000.00.<sup>36</sup>

If tolls sunset, the Crescent City Connection Bridges would have to compete with over 13,000 Bridges and 16,000 miles of roadway for scarce TTF funds. While the frequency of maintenance is partially dependent upon the volume of traffic, it is not the only determining factor, and the Crescent City Connection Bridges will still need to compete with other bridges around the state and region for repair and upkeep. The loss of dedicated toll funds would result in less maintenance and a poorer appearance of a nationwide and worldwide iconic visual of New Orleans, a city and region which depends on tourism as a major industry.

While the DOTD has provided assurances that they would not allow the bridges to succumb to safety issues, concern lingers regarding the feasibility of repairs with the limited pool of money available in the TTF. DOTD's process includes inspection of bridges every two years. As the condition of the bridge deteriorates, the inspection frequency increases, and when the deterioration affects the structural load carrying capacity, DOTD “posts the bridge” and does not allow heavier loads to traverse the bridge. While DOTD follows the National Bridge Inspection Standards, some issues that may arise that affect the Crescent City Connection Bridges would include items of “deferred maintenance” and “aesthetic maintenance”.<sup>37</sup> Deferred maintenance as of December 2011 has reached a minimum of \$65 million with minimal relief in sight for the next 7-10 years.

b. Legislatively Authorized Projects

The Legislature, in Louisiana Revised Statute 47:820.5, set out certain projects to be funded out of the Crescent City Connection toll monies after all maintenance and operation expenses of the bridge had been paid. Despite a misperception by the public, more than

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<sup>36</sup> 9/23/11 Meeting and documentation/presentations of same.

<sup>37</sup> 8/12/11 Meeting Minutes; 8/26/11 Meeting Minutes.

\$40,000,000.00 of toll money has been leveraged with other funding sources in the region to fund the projects. This includes funds from DOTD, federal funds, and New Orleans Sewerage & Water Board.<sup>38</sup>

While several of the projects have been completed, many of the projects remain either partially complete or not yet started. The Regional Planning Commission (“RPC”) has assisted in obtaining funding to “close the gap” on some of the projects. However, the viability and future ability to fund the projects is unlikely if the tolls are to sunset. Some of the projects, like the LaPalco project, are not on the State Highway System and would be ineligible for TTF monies. The completion of that project would likely fall upon Jefferson Parish if the tolls sunset.<sup>39</sup>

The Monthly Project Delivery Report: Crescent City Connection Division from August 2011 details the legislatively mandated projects and the status of each. Consideration must be given to how or whether these projects will be funded if the tolls sunset. Local jurisdictions have resisted the idea of even absorbing the costs associated with policing the bridge due to a shortage of funds. Therefore, it is highly unlikely that the local jurisdictions are capable of absorbing the costs of these mandated projects as well. To finish the 13 projects, including the repainting of Bridge No. 2 and the Approaches to Bridge No. 1, the construction costs are estimated at \$229,000,000.00.<sup>40</sup>

It should be noted that while there is some evidence that monies on some of the projects may have been ill spent on consultants, this does not fully explain the lack of funds available to fund these projects. Rather, the reduction of the electronic tolls over the last twenty years from \$.50 per axle to \$.20 per axle dramatically reduced the surplus funds available to invest in these projects. Additionally, increased costs of operations following Hurricane Katrina exacerbated the funding shortage and actually resulted in the CCCD running deficits in recent years.

c. Current Maintenance Projects dealing with the Bridges and Ferries

In addition to the projects that were legislatively mandated, DOTD and CCCD have identified other maintenance projects affecting the bridge and ferries that need to occur. Consideration must be given as to how these necessary projects would be funded if the tolls sunset.

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<sup>38</sup> 8/26/11 Meeting Minutes; Monthly Project Delivery Report: Crescent City Connection Division, August 2011.

<sup>39</sup> 8/26/11 Meeting Minutes.

<sup>40</sup> Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11 Presentation, at p. 13.

The projects identified include facility maintenance projects that are currently underway on the ferry landings, buildings, bridges, toll facilities, electrical and marine vessels.<sup>41</sup> Facility maintenance projects that are pending construction include:

- Eight (8) projects with an estimated cost of \$2,460,000.00 (not including FEMA/grant funding) for items such as bridge joint repairs and East Bank steel substructure work.<sup>42</sup>
- Eighteen (18) ferry landing projects with an estimated cost of \$8,900,000.00 to implement. These projects include items such as Canal Street ferry facility escalator rehabilitation, fender/bumper repairs and replacements and rehabilitation of the Algiers pedestrian access bridge.
- Administrative projects that includes projects for the police force, buildings and stormwater pump station estimated at \$6,265,000.00.
- Bridge projects estimated at \$18,730,000.00.<sup>43</sup>
- Toll facility projects estimated at \$865,000.00.
- One (1) electrical project estimated to be \$65,000.00.
- Marine vessel projects estimated to be \$15,435,000.<sup>44</sup>
- Replacement of Timber Fender System with Upgraded Modular Precast Concrete System estimate to be \$25,000,000.00.<sup>45</sup>

DOTD/CCCD has prioritized these projects and estimates that for the top ten projects to be performed from this list, the costs are estimated at \$65,000,000.

While maintenance of the bridge included maintenance of the bridge structure, ramps and ancillary areas within its jurisdiction, it is necessary to include within the jurisdiction of the CCCD the legislatively mandated projects and the outstanding maintenance projects outlined above. To not do so is to simply ignore that these projects are not yet completed, the projects are a responsibility of the CCCD and require the use of the toll monies. As is detailed in Section V. (Potential Sources of Revenue), there are simply no sufficient, reliable funding sources available that can fund these outstanding projects and the continued maintenance of the bridge structure, ramps and ancillary areas within its jurisdiction other than tolls.

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<sup>41</sup> Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11 Presentation, at p. 13.

<sup>42</sup> Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11 Presentation, at p. 14.

<sup>43</sup> The amount listed in Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11 Presentation, at p. 15 is noted as \$51,730,000.00 for the bridge projects, but this amount is inclusive of the paint work, which was accounted for under the legislatively mandated projects. The \$18,730,000.00 is representative of the building projects outstanding that do not relate to paint work on the bridges.

<sup>44</sup> Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11 Presentation, at p. 14.

<sup>45</sup> Prioritized CCCD Bridge Deficiencies and Estimated Costs.

- B. Recommendations for Current and Future Maintenance
1. Renew the tolls
    - This ensures that the maintenance and services presently being provided on the bridges, ramps, ancillary areas and ferries will continue, including bridge and roadway maintenance (including pothole repair and joint repair), annual bridge inspection, street sweeping, grass cutting, trash pickup, landscaping, lighting, police/traffic controls/incident management and ferry operations and maintenance.
    - This relieves the burden that would befall the local jurisdictions to fund landscaping, lighting, trash pickup, grass cutting and policing in areas covered by the CCCD.
    - This relieves the burden that would befall on the local jurisdictions of having to assume some of the policing duties on the bridge if the CCCPD police force is cut in size or eliminated.
    - This allows the region to provide the funding or seed money to complete the regional projects that were identified by the Legislature.
    - This allows the region to ensure that the maintenance projects that are currently needed on the bridge and ancillary areas are performed, such as joint repairs and East Bank steel substructure work, Canal Street ferry facility escalator rehabilitation, ferry landing fender and bumper repairs/replacements and repair of the Algiers pedestrian access bridge.
  2. Issue Bonds for Completion of the Legislatively Mandated Projects
    - Use the toll money (from current bond service and efficiency savings) as the primary revenue stream for bonds to obtain a bond issue in the minimum amount of \$150 million.
    - The bond issue funds would fund the remaining legislatively approved projects.<sup>46</sup>
    - Debt service on the bonds is estimated to be approximately \$11 million per year.
    - Bonds under MRBA are necessary as they are the originator of the current bonds.
  3. Secure RPC commitment to match or obtain federal funds to assist in payment of the construction costs of the projects.
  4. Tie in the benchmarks or performance criteria for each project to ensure that funds are not wasted on unnecessary studies and consultant fees.
  5. Require projects to be competitively bid using state bidding procedures.

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<sup>46</sup> DOTD Monthly Project Delivery Report, Crescent City Connection Division, Dec. 2011, pp. 12-18. DOTD provides a monthly update as to the outstanding projects, and these projects, as currently defined by the DOTD and CCCD, are the projects that are intended to be funded by the new bond issue.

#### IV. Efficient Traffic Control on the Bridge

##### A. Analysis of Efficient Traffic Control On The Bridge

The Crescent City Connection Bridges are the fifth busiest toll bridges in the country with an estimated 180,000 cars traveling on the bridges daily.<sup>47</sup> The policing jurisdiction for the 13+ mile elevated expressway jurisdiction is statutory, and in all areas that the Crescent City Connection Police Department (“CCCPD”) has jurisdiction, it is joint jurisdiction with the local police.<sup>48</sup> If tolls sunset and accommodations are not made to maintain the CCCPD, the policing function on the bridges, elevated expressway, lower roadways, approaches and ferries would fall to the local jurisdictions and the Louisiana State Police.<sup>49</sup>

The study performed by Ronald B. Jones, of the Louisiana State Police, in consultation with Sheriff Newell Normand, Chief Ronal Serpas, Chief Arthur Lawson, Major John Marie, Lieutenant Edward Beyerback, in January 2011, revealed that the local jurisdictions maintain that if the CCCPD is eliminated it would be difficult for the jurisdictions, either individually or collectively, to maintain or manage the service currently provided by the CCCPD.<sup>50</sup> The law enforcement officers agreed that if the local jurisdiction were to assume the CCCPD responsibilities it would cause a greater delay response in calls both within the CCCD footprint and in other parts of the Greater New Orleans area. Additionally, it would require a redirected patrol force, which would increase the stress placed on arterials in Jefferson and Orleans Parishes. Jefferson Parish Sheriff’s Department candidly stated that it was unable to absorb the CCCPD work.<sup>51</sup> The State Police indicated that they would not patrol the ferries nor the terminals. They recommended using a private security company, which would be an additional expense not borne by them.<sup>52</sup>

The Task Force is in agreement that the CCCPD must remain intact regardless of whether the tolls are renewed or sunset. The disruption to the quality of life of the West Bank commuters would come at too high of a price to allow the policing function of the CCCPD to be absorbed solely by already strapped local police jurisdictions or by the Louisiana State Police without the

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<sup>47</sup> 8/12/11 Meeting Minutes.

<sup>48</sup> 8/12/11 Meeting Minutes.

<sup>49</sup> 8/12/11 Meeting Minutes.

<sup>50</sup> DOTD Response to 2010 Senate Resolution 176, 1/19/11 at *Law Enforcement Interviews Summary*.

<sup>51</sup> DOTD Response to 2010 Senate Resolution 176, 1/19/11 at *Law Enforcement Interviews Summary*.

<sup>52</sup> 1/12/12 Email from Ronnie Jones, Confidential Assistant to the Superintendent, Louisiana State Police.

assistance and funding of the existing CCCPD. Delays in removal of road debris, disabled cars, obstructions or accidents on the bridge spans is unacceptable as for every minute of delay in response time to clear traffic disruptions purportedly correlate to four minutes of traffic delay.<sup>53</sup> Hence, for every ten minutes that a traffic disruption is not cleared from the roadway, the Westbank commuters would have a 40 minute back up in traffic.

Additional concern exists regarding the age and maintenance issues related to the CCCPD's fleet of vehicles. Updated in-car camera equipment and replacement of nearly 40% of the CCCPD vehicles are necessary.<sup>54</sup> Funding for vital police equipment needs to be accounted for.

While the Louisiana State Police Study on the CCCPD suggested that CCCPD should more narrowly focus its work on the Bridges and the Approaches, this arrangement would still likely result in an increase burden on the local police departments. For example, the CCCPD not only conducts general traffic enforcement and DWI enforcement, on the Bridges and Approaches, but also provides security at the ferry sites, provides a general deterrent patrol on surface streets, and patrols for transients and drug dealers on the surface streets.<sup>55</sup> The CCCPD also assists in homeland security patrols at the water level, levee level and on the bridges.

The CCCPD currently operates on a \$2.4-\$2.5 million annual budget and has 23 officers. In 2010, the CCCPD responded to over 28,000 calls for service, investigated approximately 1542 crashes, issued 8200 citations, issued 2799 warnings, removed 5009 disabled vehicles, made 631 arrests (82 were for DWI arrests), and conducted 3157 security checks of ferry vessels and landings.<sup>56</sup> Additional duties performed by the CCCPD include provision of security of the toll operations, security at toll violation hearings which are held monthly, and auditing the marine operation's vessel security plan to ensure compliance with USCG regulations.<sup>57</sup>

The CCCPD is undergoing restructuring due to the need to downsize the number of supervisory officers and increase the number of patrol officers on its force. The CCCPD is

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<sup>53</sup> Crescent City Connection Police Department, An Overview, Chief Peter E. Maggiore, 9/9/11.

<sup>54</sup> A Review and Analysis of the Policies, Procedures And Practices of the Crescent City Connection Police Department, Ronald B. Jones, Louisiana State Police, in consultation with Sheriff Newell Normand, Chief Ronal Serpas, Chief Arthur Lawson, Major John Marie, Lieutenant Edward Beyerback, 1/03/11, at p. 2, 35-37.

<sup>55</sup> *See id.* at p. 10.

<sup>56</sup> Crescent City Connection Police Department, An Overview, Chief Peter E. Maggiore, 9/9/11.

<sup>57</sup> Crescent City Connection Police Department, An Overview, Chief Peter E. Maggiore, 9/9/11.

utilizing and implementing the recommendations made in the CTI Consulting Study from 2008 and the 2010 Study by the Louisiana State Police in conjunction with local policing agencies.<sup>58</sup>

Consideration was given to transferring the CCPD under the purview of the Louisiana State Police. The State Police have indicated that they could not absorb the CCCPD without also having a correlating budget. While the police budget under both the tolls option and no tolls option remains the same, the level of service does not remain the same, as the State Police have indicated that they may seek, with the counsel and assistance of local jurisdictions, to reduce the footprint of the CCCPD at a later date and the security on the ferries and terminals would not be paid with the budget set aside for the CCCPD.<sup>59</sup>

B. Recommendations for Efficient Traffic Controls

1. CCCPD to continue to implement recommendations made in the 2008 and 2010 studies.
2. CCCPD to continue to operate separate from the local jurisdictions to allow for the flexibility that this police force needs in order to determine the number of officers needed to effectively manage its responsibilities.
  - This ensures that the police force is able to operate solely for the well being of its jurisdiction.
  - This ensures that the CCCPD will not be redirected by another agency or police force to other duties not consistent with traffic control and policing of the CCCD jurisdiction.
  - This ensures that the funding for the CCCPD will not be redirected to any other entity or purpose other than use for policing functions of the CCCD footprint.
  - This ensures that the ferry boats and terminals will receive the same or even enhanced security.
3. CCCPD to submit to an annual audit along with periodic reporting to the MRTA Oversight Authority to ensure that the best practices are being employed and that recommendations for improvements have been made.
  - This ensures accountability within the CCCPD.
  - This ensures that best practices will be employed for the benefit of the Mississippi River travelers/commuters
4. Update CCCPD police fleet and install in-car cameras.

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<sup>58</sup> 9/9/11 Powerpoint Presentation by Chief Maggiore.

<sup>59</sup> 1/12/12 Email from Ronnie Jones, Confidential Assistant to the Superintendent, Louisiana State Police.

## **V. Potential Sources and Uses of All Revenues, Including Consideration of Bond Capacity for Predetermined Infrastructure Improvements**

### **A. Analysis of Potential Sources and Uses of All Revenues**

#### **1. Current Sources of Funding**

Over the course of the last five years, the CCCD has been primarily funded through toll collections (on the bridges and ferries), Highway Fund No. 2, federal grants, and rental income. The total income of the CCCD in 2009 averaged \$23.5 million, which was comprised of approximately \$21.5 million from bridge tolls, \$252,000.00 from vehicular ferry tolls, \$825,000.00 from federal funds, and \$1 million in other income (investments and rental agreements).<sup>60</sup> The deficit was made up by Highway Fund No. 2 funds of approximately \$5.2 million and the CCCD Fund Balance. Conversely, in 2010, CCCD income averaged \$22 million (a decrease of \$1.2 million), which was accounted for in \$20.6 million in bridge tolls, \$274,000 in vehicular ferry tolls and \$1.1 million in other income. Highway Fund No. 2 accounted for an additional \$5.4 million.

#### **2. Highway Fund No. 2 and Bonds**

Without new legislation, funds from Highway Fund No. 2 will no longer be available to the CCCD but instead will revert to the TTF. Legislation allowing for bonds to be issued prior to the last payment on the current bonds in November 2012 is necessary in order for the CCCD to continue to be allocated those funds. The current bonds are tied to the Mississippi River Bridge Authority (“MRBA”) and new bonds would need to be issued by the MRBA as well.

Whether tolls are renewed or sunset, it is imperative that the funding from Highway Fund No. 2 continue to be allocated to the CCCD for use for the regional transit arteries consisting of the bridges and the ferries. The average from fiscal year 2007 through fiscal year 2010 allocated to the CCCD from this Fund is approximately \$5,240,000.00 per year.<sup>61</sup> This amount includes the unaudited amount for fiscal year 2011, which is markedly lower than the amounts received in 2007-2010. In those four years, Highway Fund No. 2 averaged a little under \$5.4 million, yet the unaudited amount attributable to the Highway Fund No. 2 for the fiscal year 2011 is estimated to be approximately \$4,600,000.00.

Highway Fund No. 2 was considered as one source of income for bridge operations if the tolls were allowed to sunset. However, given the tight budget constraints and curtailment in services that would have to be imposed and the uncertain allocation that is made on a yearly basis

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<sup>60</sup> Overview of Louisiana DOTD, 8/12/11, at p. 19.

<sup>61</sup> CCCD Actual and Projected Comparison, 11/14/11.

from the Fund, Highway Fund No. 2 alone cannot be considered a reliable and consistent primary source of income for the continued operation of the CCCD, bridge operations or ferry operations.

### 3. Federal Grants and Federal Funds

Federal Grants in fiscal year 2007 through 2009 averaged approximately \$842,000.00 a year. No federal grants were obtained for fiscal year 2010 or 2011. It is estimated that federal grants will be received in the amount of \$600,000.00 for 2012, but those grants are being issued for the ferries and ferry terminals. If the ferries do not continue, the grant money will not be realized. Because of high costs of operations, ferry services likely would have to be curtailed significantly without toll support even assuming imposition of passenger fares in both directions.

Federal Appropriation Bill (SAFETEA-LU) is a federal act that dedicates and sets up the funds for the Transportation industry. The federal funds that RPC obtains and applies toward capital projects is allocated from SAFETEA-LU. The Bill is in its second year extension, and no new money is guaranteed to come out of Washington, D.C. to the States or funneled down to the CCCD.<sup>62</sup>

### 4. Rental Income

Rental income over the past few years has been sporadic with the advent of movie tax credits, more rental income for the Bridges and ferries has been generated; however this source of revenue has not been marketed nor has the CCCD optimized the charges for such rentals.

### 5. Louisiana Transportation Trust Fund (“TTF”)

Louisiana Revised Statute 48:196 provides that TTF monies shall be used for “funding projects for any road which is part of the state highway system but not part of the federal system.” The projects may include, but are not limited to design, preventive maintenance, rehabilitation, restoration, and improvement of the state-maintained system of roads. The funds may also be used to complete all of the preconstruction activities such as planning, survey, design, engineering, right of way acquisition, and utility relocations associated with such projects.

To be eligible for TTF funds, DOTD utilizes the “Highway Priority Program”, which is a process whereby the Legislature approves the priority of projects that are paid for out of the TTF. Projects that are not completed in the year of approval are moved to the top of the list for the next fiscal year. Currently, projects pertaining to general state bridge maintenance and bridge capital expenditures (which does not presently include the CCC bridges) have already been prioritized for the next seven (7) years, meaning it would likely take seven (7) years before the CCC Bridges could be placed on the priority list (absent a safety issue) for maintenance funds.

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<sup>62</sup> Overview of Louisiana DOTD, 8/12/11.

According to the DOTD, TTF would provide for maintenance only; approval would not be forthcoming to finance the adding of new lanes to the existing Mississippi River Bridges. Aesthetic maintenance, like bridge painting and touch-ups, are not considered a priority.<sup>63</sup>

The TTF finances over 13,000 bridges and 16,000 miles of roadway within the State of Louisiana. While the frequency of maintenance is partially dependent upon the volume of traffic, the Crescent City Connection Bridges will have to compete for limited state funds with the other bridges for repair and upkeep.<sup>64</sup> Candidly, the Task Force was told that TTF funding is greatly dependent on the effectiveness of the particular area's legislators. Such a politicized process lacks continuity and certainty, and was a process that the Task Force decided to move away from.

## 6. Tolls

The CCC Bridges are the fifth busiest toll bridge in the United States with approximately 33 million vehicles crossing annually. It is unique in both its location (as it is in Orleans Parish, Jefferson Parish and the City of Gretna)<sup>65</sup> and in its importance to the Greater New Orleans area. Coupled with the ferry operations, the CCC Bridges provide a critical infrastructure that facilitates commercial transportation, port operations and regional economic development.<sup>66</sup>

Tolls for the past five years have produced annual revenue averages of \$21,700,000.00.<sup>67</sup> Those funds are used to operate and maintain all areas within the CCCD jurisdiction, including the bridges, ferry operations, buildings, lighting and grounds.<sup>68</sup>

### a. Options Available for Tolling of Bridge Lanes<sup>69</sup>

In looking at the best practices, it was noted that nationally it costs between \$.75 and \$1.25 to collect cash tolls and between \$.08 and \$.12 cents for electronic collection (through

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<sup>63</sup> 9/23/11 Meeting.

<sup>64</sup> 8/12/11 Meeting Minutes; 8/26/11 Meeting Minutes.

<sup>65</sup> Overview of Louisiana DOTD, 8/12/11, at p. 6.

<sup>66</sup> *See e.g. A Review and Analysis of the Policies, Procedures And Practices of the Crescent City Connection Police Department*, Ronald B. Jones, Louisiana State Police, in consultation with Sheriff Newell Normand, Chief Ronal Serpas, Chief Arthur Lawson, Major John Marie, Lieutenant Edward Beyerback, 1/03/11, at p. 7.

<sup>67</sup> Overview of Louisiana DOTD, 8/12/11, at p. 6.

<sup>68</sup> 8/12/11 Meeting Minutes; 9/9/11 Meeting; *see also* Comparison of Costs and Services for Crescent City Connection; *see also* discussion *supra* at I. Administration.

<sup>69</sup> Options Available for Tolling of Ferry Operations is included *infra* in Subsection VI.

transponders or toll tags).<sup>70</sup> While the CCCD cannot tabulate the precise amount it costs for it to collect cash and handle electronic tolls, both the DOTD and bridge consultant HNTB estimate that the CCCD collections are in line with the national averages. As such, cash collection for the CCC Bridges at best results in \$.25 profit for each cash toll collected and \$.32 for each electronic toll collected.

According to Rick Herrington of HNTB Corp., best practices in the tolling industry call for the removal of cash collection and conversion to all electronic toll collections.<sup>71</sup> All-electronic tolling (“AET”) (*i.e.* no cash lanes, all toll tags with post billing) maximizes efficiencies of a tolling system. Toll agencies that have converted to AET throughout the United States have realized lower operating costs and a positive gain in net revenue.<sup>72</sup> Conversion to AET reduces the expense of collecting cash (as it eliminates toll collectors and the process of collecting the cash toll to depositing it in the bank), reduces administrative costs, eliminates the expense of maintaining booths, the toll plaza and associated facilities, and reduces the risk of theft.

To be successful, penetration of toll users of an automatic vehicle identification (“AVI - GeauxPass”) is key, as it lowers costs and minimizes the risk of having to seek collection through video transaction.<sup>73</sup> With video transaction, the video records the non-transponder user, who is billed at a later date and at a higher rate. Out of state violators (persons who receive a bill in mail because of video billing and fail to pay that bill) are problematic because while a bill can be sent, collection efforts are frustrated by the fact that the tolling agency cannot proceed after them in court. Reciprocity agreements are being considered by CCCD management, and should be pursued so that out-of-state drivers without electronic tolling will not be able to blatantly ignore the toll payment. Federal grants require all electronic tolling.<sup>74</sup>

Conversion to AET with an open tolling system is not without cost. There is a one time expense of approximately \$3,550,477.00 (\$3,076,920.00 for engineering and construction of the open tolling and \$473,557.00 for the new tolling equipment). This should be compared to the cost of removing the toll plaza if the tolls sunset, which is estimated to be \$500,000.00 (\$360,000.00 for removal of the toll booths and \$140,000.00 to waterproof the tunnel - this does not include any additional expense for shutting down operations and/or moving operations to

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<sup>70</sup> Overview of Louisiana DOTD, 8/12/11, at p. 19.

<sup>71</sup> 9/9/11 Powerpoint Presentation, at p. 5.

<sup>72</sup> 9/9/11 Powerpoint Presentation, at p. 5.

<sup>73</sup> 9/9/11 Powerpoint Presentation, at p. 5-6.

<sup>74</sup> Tolling in the U.S., CCCD Toll Operations, et al., HNTB Corp., Rick Herrington, 8/26/11.

Baton Rouge).<sup>75</sup> Consideration should also be given to maintaining the toll plaza (foregoing the expense of converting to open tolling but transition to toll tag only lanes) to allow the toll plaza to continue to operate as a tool to meter traffic from 12 feeder lanes into the 4 bridge lanes.

The costs of operating AET with the use of AVI Collection and video billing is \$5,400,000.00 if half of the users utilize an AVI-GeauxPass and \$3,900,000.00 if 75% of users utilize the AVI-GeauxPass.<sup>76</sup> According to Rick Herrington, affordable transponders are available for as low as \$2.00.<sup>77</sup> AVI-GeauxPass may also allow the CCCD to partner with the Causeway Commission or any other tolling agency so that one toll tag can be used for both tolling areas.<sup>78</sup>

While the open tolling concept is appealing and has the potential to create safer traffic patterns, Mr. Herrington cautioned that open tolling at the CCC Bridges will not remove or ease the congestion that exists on the bridge during peak hours. This is due to the fact that regardless of the configuration there are 12 feeder lanes originating from different points on the Westbank that are merging into 4 bridge lanes going East Bound.<sup>79</sup>

Side benefits of AET Conversions include improved safety/reduced accidents, reduced emissions, customer convenience, and improved public/political perception of Agency.<sup>80</sup> Additionally, according to Mr. Herrington, AET will become the standard in 6-10 years.<sup>81</sup>

Even if AET Conversion is not pursued, if tolls are continued then the CCCD must engage in increased marketing to get users to obtain toll tags. This will necessarily involve having to make considerable improvements that are “user-friendly” in the customer service portions of the CCCD, such as the customer service center, the website and the call center. Toll tags and transponders should be widely available; Houston and Dallas provide models of customer service operations to make toll tags widely and conveniently available. If tolls continue, HNTB recommends the closing of more of the cash lanes (presently 7 of the 12 lanes

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<sup>75</sup> 9/9/11 Meeting; *see also* HNTB Bullet Point Summary, May 2, 2011 outlining additional impacts and costs of removal of the tolls.

<sup>76</sup> 9/9/11 Powerpoint Presentation, at p. 6.

<sup>77</sup> It should be noted if the CCCD remains under the purview of the DOTD legislation may be required to allow toll tags to be provided to users in order to obtain 100% participation. The State cannot give something of value away for free.

<sup>78</sup> Tolling in the U.S., CCCD Toll Operations, et al., HNTB Corp., Rick Herrington, 8/26/11.

<sup>79</sup> Tolling in the U.S., CCCD Toll Operations, et al., HNTB Corp., Rick Herrington, 8/26/11.

<sup>80</sup> 9/9/11 Powerpoint Presentation, at p. 6.

<sup>81</sup> 8/26/11 handout at p 6.

are cash lanes), which will cause more users to obtain toll tags and result in reduced overhead to collect tolls.<sup>82</sup>

b. Enhanced HOV-2 Usage

The HOV-2 lanes are under utilized. While it is believed that maintaining HOV-2 status is necessary under the federal funding received for the project, pricing initiatives can be considered to allow the HOV-2 lanes to be utilized as HOT (High Occupancy with a Premium Toll Rate) lanes, which allow for single occupants to utilize the lanes if they pay a higher toll at various times of the day.

Limiting the time in which high occupancy is required (versus paying a higher toll at a single occupancy rate) will require traffic pattern studies to determine current use of the lanes. Opening these lanes to single occupants at a premium toll rate will allow for a six lane bridge from the West Bank to the East Bank in the morning hours and from the East Bank to the West Bank in the afternoon and evening hours. Time adjustments to the use of the lanes going in each direction should be studied, as it appears that the HOV lanes would be more beneficial as extra arterials moving traffic in the 2 p.m. to 4 p.m. hours going from the West Bank to the East Bank. Long term, a project to tie the transit lanes into I-10 and/or the Pontchartrain Expressway would appear to make the HOV lanes more useful to the traveling public. The current end points of the HOV lanes are of limited use and detract from the usefulness of the subject lanes.

c. Necessity of Tolls

Several persons and/or groups have suggested that bridge tolling is unfair, in part, because nowhere else in the state must drivers pay to cross a Mississippi River Bridge. Hence, the argument is made that an inequity exists for the users of the CCC Bridges. However, these arguments and conclusions overlook the fact that there are services provided to the region because of the tolls that the other Mississippi River regions simply do not receive. For example, the CCC has a dedicated police force and the other Mississippi River bridges do not. This police force is critical to the operation of the bridge in view of the high volume of daily traffic and the probability of daily accidents, any one of which could back up traffic for miles and create extensive delays significantly greater than that already created by operating a bridge well above its designed capacity. With continued tolls, the CCC has the ability to keep up the aesthetics of the bridge and to fix joints and other issues without having to compete for TTF dollars from the other nine (9) Mississippi River bridges and the more than 13,000 other bridges and 16,000 roadways in the State of Louisiana. Keeping the tolls are safety and quality of life issues, not a fairness issue.

Additionally, it is vital to the exercise of determining whether the Greater New Orleans area is getting their “fair share” or will get their “fair share” to examine what is provided to the

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<sup>82</sup> Tolling in the U.S., CCCD Toll Operations, et al., HNTB Corp., Rick Herrington, 8/26/11.

other Mississippi River Bridges in the State of Louisiana. For example, DOTD does not pay, and the Greater New Orleans area will not receive from the State:

- lighting on the bridge or on the roadways
- landscaping
- enhanced police services (which includes a dedicated police force and rapid response times) and
- ferry operations and maintenance of ferry boats, landings, terminals (the ferries do not connect into the state highway system; hence DOTD does not pay for this service).

These services will more than likely have to be absorbed by the local jurisdictions whom have indicated that they do not have the resources to provide these services.<sup>83</sup>

Moreover, other services would be greatly reduced from what is presently being provided by the CCCD if the Bridges were to go into the mainstream of DOTD. Those services include:

- street sweeping (DOTD to provide one time per month as opposed to two times per week at present CCCD level of service)
- grass cutting (DOTD to provide one time per month as opposed to one time per week at CCCD level of service)
- trash pickup (DOTD to provide one time per month as opposed to two times per week at CCCD level of service)
- bridge and roadway maintenance, including pothole repair and joint repair (DOTD would perform monthly as opposed to weekly service provided by CCCD currently) and
- bridge inspection (DOTD to perform every two years as opposed to the yearly inspection conducted under the CCCD).<sup>84</sup>

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<sup>83</sup> 9/9/11 Meeting; *see also* Comparison of Costs and Services for Crescent City Connection. Mayor Ronnie Harris of the City of Gretna advised that it would be difficult in the current budget to provide these services for the strip of the CCCD jurisdiction that falls within the City of Gretna. Moreover, Kristin Palmer of the New Orleans City Council advised that the City of New Orleans cannot fund the bridge services especially in light of the fact that the City does not have sufficient funds or resources to handle all of the current infrastructure needs (like pot holes and road repairs). The lack of funds in the City of New Orleans has also been widely reported on by the media and commented on by numerous other groups in the last several years. It cannot seriously be contended that this local jurisdiction could absorb the costs of these services or even be in a position to provide the services. *See also* A Review and Analysis of the Policies, Procedures And Practices of the Crescent City Connection Police Department, Ronald B. Jones, Louisiana State Police, in consultation with Sheriff Newell Normand, Chief Ronal Serpas, Chief Arthur Lawson, Major John Marie, Lieutenant Edward Beyerback, 1/03/11, at p. 2, 35-37.

<sup>84</sup> 9/9/11 Meeting; *see also* Comparison of Costs and Services for Crescent City Connection.

It appears that the only services that would remain the same or substantially similar, without tolls are

- the use of the MAP Truck that has presently been assigned to the CCCD jurisdictional area and
- operations of the HOV lanes, which are under utilized and would no longer have the opportunity to be used as additional arteries to reduce the congestion and traffic on the main bridge spans.

It can also not be seriously contended that the Greater New Orleans area would receive “more” than the other regions with Mississippi River Bridge crossings. The State of Louisiana is a system that provides support to all of its residents, who are represented by multitudes of Legislators, of which New Orleans makes up only a few. Additionally, as recently demonstrated in the census and in the necessity to redistrict seats, the current population of the Greater New Orleans area is less than pre-Katrina. While this may not be a fact that we, as a region, like or care to admit, it is a factor that must be considered in determining what services, monies and priority the Greater New Orleans region will receive for its Mississippi River transit system (bridges and ferries). Consideration of this fact was given, in part, by analyzing the annual amounts that DOTD spends on the other regions’ Mississippi River Bridges:

- Vicksburg Bridge: \$101,575.00
- Natchez: \$19,675.92
- Old 190: \$5,720.00
- New Baton Rouge: \$67,000.00 (construction costs for the last fiscal year were \$11,000,000.00)
- St. Francisville: \$00.00 (new bridge)
- Gramercy: \$31,377.00
- Luling: \$41,600.00 (construction costs for the last fiscal year were \$16,600,000.00)
- Greater NO: \$135,442.00
- Huey P Long: 00.00 (construction costs for the last fiscal year were \$147,097,944.00)
- LA 70: \$27,723.00<sup>85</sup>

The contention that Highway Fund No. 2 is sufficient to allow the Greater New Orleans area to maintain the valuable services being provided by the CCCD overlooks the fact that considerable services will be limited or eliminated. Rather, the Fund will only be able to provide for police services and lighting. Even if there was some mismanagement of the CCCD in the past, it is impossible to go from a budget of \$27 million down to approximately \$5 million without considerable curtailment of services and/or transfer of costs back to DOTD, a state agency which is not flush with funds. Moreover, there will be insufficient funds available to address the other major transportation arteries currently servicing this region (*i.e.* the ferries) and insufficient funds to provide regular maintenance on the bridge. Regular maintenance includes

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<sup>85</sup> 9/9/11 Approximate Yearly Costs of Mississippi River Bridges.

repair to joints/seams, pot holes and painting, all of which are considered “deferred maintenance” by DOTD. Additionally, the Fund does not provide sufficient funding to perform the more than \$52,720,000.00 in current maintenance projects that have been identified as needed for the transit system.<sup>86</sup>

Furthermore, partnership with local jurisdictions to cover the costs of limited or eliminated services is simply untenable. For example, the Mayor of Gretna, Ronnie Harris, advised the Task Force that the current millage pays for the existing lighting in the City of Gretna, and there are no additional funds to take on bridge lighting. Likewise, Mayor Harris estimated that it would cost Gretna more than \$72,000.00 per year to simply perform the landscaping functions in the area of the CCCD that falls within its jurisdiction; money that does not currently exist in Gretna’s budget. He candidly noted that the City of Gretna could not absorb the additional costs of the infrastructure on a local level.

Likewise, Kristin Palmer of the New Orleans City Council advised the Task Force that she believes that the removal of tolls will negatively impact the standard of living on the Westbank and affect housing costs. Ms. Palmer also discussed that the City of New Orleans has existing funding issues that would impact the City’s response to bridge traffic, accidents, maintenance of the roadways, and other expenditures. It is clear from Ms. Palmer’s remarks, as well as the numerous written materials available from the news media and other outlets, that New Orleans already operates on a strained budget and is not able to absorb additional expenses due to the bridges or the ferries.

Clearly, a funding source must be located in order to continue the quality of life of the West Bank residents and businesses. The Task Force exhaustively examined the possibility of being able to provide the benefit to the region with the limited resources of Highway Fund No. 2, existing capital escrow, increased ferry fares, federal ferry grants and rental income. Those resources fall woefully short of being able to meet the basic financial needs and ensuring that the Greater New Orleans transit system is maintained on a long term basis. Depletion of the existing capital escrow will occur quickly and with the limited funds available from these resources, it is expected that the existing transit system will no longer be able to be maintained, much less improved. Reducing the CCCD financial footprint to only these resources also assumes that the legislatively mandated projects that are still in process will not be completed, as there will be no funds for the estimated \$229,000,000.00 in construction costs<sup>87</sup> or for the estimated \$52,720,000.00 need for current/deferred maintenance projects.<sup>88</sup> Furthermore, reliance on Highway Fund No. 2 monies and the reserve toll monies for capital projects is a short sighted “fix” that will simply make the Greater New Orleans regional area completely dependent upon

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<sup>86</sup> *See supra* at pp.21-22.

<sup>87</sup> Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11 Presentation, at p. 13.

<sup>88</sup> Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11 Presentation, at p. 14-16.

the State, the Legislature, budget cuts and dwindling resources for operations, improvements, maintenance, and the vast majority of capital projects sought to be completed across the State.<sup>89</sup>

B. Recommendations

1. Pass new legislation in the upcoming 2012 session to issue additional bonds to the MRBA no later than November 1, 2012 to ensure that Highway Fund No. 2 funds will continue to be directed to the CCCD (and not revert to the TTF). (Bonds should be issued for the completion of the legislatively mandated projects that were detailed and identified infra).
2. Apply for Federal Grants for a ferry capital projects and for HOV expansion, and use the existing grant money that has been made available for ferry capital projects.
3. Renew the Tolls and utilize/initiate best practices to operate the system to maximize efficiency and value.
  - Tolls for the past five years have produced annual revenue averages of \$21,700,000.00.<sup>90</sup> The funds can provide the necessary, guaranteed funds for essential services such as policing and lighting, aesthetic and structural maintenance of the bridges, capital expenditures, and completion of legislatively mandated projects intended to enhance the quality of life of the persons paying the tolls.
  - Tolls are necessary in order to obtain bond issues of a minimum of \$150 million to complete the legislatively mandated projects.
  - Convert existing system to AET or other best practices system, to be identified by DOTD and MRTA, to maximize the toll collection revenues through transponders or toll tags and create efficiencies.
  - Transponders or toll tags must be made readily available and at a minimum cost to encourage widespread use.
  - This ensures that the maintenance and services presently being provided on the bridges, ramps, ancillary areas and ferries will continue, including

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<sup>89</sup> It should be noted that a suggestion from others has been made that funding from Highway Fund No. 2 not be utilized to fund the ferries. Rather, the suggestion proposes that TTF funds be used to fund the ferries, even those that are not within the state highway system, and that TTF funds be used for capital projects. The suggestion that TTF funds can simply be used for capital projects that the Greater New Orleans area may want for the Mississippi River bridges and ferries ignores the very process by which the DOTD is obligated to prioritize the funds and the fact that the remainder of the State is also seeking funds from the limited TTF budget. Simply because we “are New Orleans”, as has been suggested by at least one person who has addressed the Task Force, does not place us in a higher priority over the residents in the remainder of the State. Some argue that the New Orleans region already gets more than its fair share of scarce State resources; to expect a larger proportion of scarce State funds in the future if tolls are eliminated would be a very risky proposition.

<sup>90</sup> Overview of Louisiana DOTD, 8/12/11, at p. 6.

bridge and roadway maintenance (including pothole repair and joint repair), annual bridge inspection, street sweeping, grass cutting, trash pickup, landscaping, lighting, police/traffic controls/incident management and ferry operations and maintenance.

- This relieves the burden that would befall the local jurisdictions to fund and/or supplement the funding for landscaping, lighting, trash pickup, grass cutting and policing in areas covered by the CCCD.
  - This relieves the burden that would befall on the local jurisdictions of having to assume some of the policing duties on the bridge if the CCCPD police force is cut in size or eliminated.
  - This allows the region to ensure that the maintenance projects currently needed on the bridge and ancillary areas are performed in a timely manner and within a time period expected by the Westbank population, such as joint repairs and East Bank steel substructure work, Canal Street ferry facility escalator rehabilitation, ferry landing fender and bumper repairs/replacements and repair of the Algiers pedestrian access bridge.
4. Improve customer service of current system.
- Provide more offsite customer service centers for easier and more convenient access for customers.
  - Make improvements to the CCCD website to be more “user-friendly” and encourage online account management.
  - Make additional improvements to the customer service call center.
5. Enhance HOV-2 lane usage with premium toll rates and with lanes that feed onto the upper expressway on the Eastbank side of the river.
- Institute pricing initiatives to allow the HOV-2 lanes to be utilized as HOT (High Occupancy with a Premium Toll Rate) lanes, which allow for single occupants to utilize the lanes if they pay a higher toll at various times of the day.
  - Explore federal funding to assist in constructing additional transit lanes to tie into I-10 and/or the Pontchartrain Expressway in order to make the HOV lanes more useful and assessable to the traveling public (currently the HOV lanes are believed to be under-utilized due to the limited access to downtown New Orleans only).

## **VI. Administration, Maintenance, and Costs to Operate the Ferry Service System**

### **A. Analysis of the Ferry Service System**

#### **1. Administration of the Ferry Service System**

The CCCD Marine Department, which operates the Ferry Service System, consists of two divisions - Marine Operations and Marine Maintenance.<sup>91</sup> There is the capacity to employ a total of 75 persons. Currently, the Marine Operations division has 57 employees and Marine Maintenance employs 16.<sup>92</sup>

The CCCD Marine Department is responsible for:

- maintaining six motor vessels (ferries)
- one (1) tug boat and one (1) barge boat
- outsourcing some necessary repairs
- maintaining all six (6) ferry landings, including buildings, approaches and other appurtenances
- collecting tolls from vehicles
- providing daily ferry service
- ensuring all assets/activities are compliant with United States Coast Guard regulations
- providing customer service to ferry ridership
- providing passenger safety for pre-boarding, ferry ride and departure<sup>93</sup>

The current vessel asset inventory includes motor vessel (M/V) Alvin Stumpf, M/V Neville Levy, M/V Louis Porterie, M/V Thomas Jefferson, M/V Frank Armiger, M/V St. John, one (1) work barge, and one (1) tug boat. The CCCD maintains the current ferry landing asset inventory, which includes the Gretna landing and building, Algiers Point landing and building, Lower Algiers landing, Jackson Avenue landing and building, Canal Street landing and building, and Chalmette landing.<sup>94</sup>

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<sup>91</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 7.

<sup>92</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 7.

<sup>93</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 9-10.

<sup>94</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 8.

The six (6) ferry system provides route service from Gretna to Canal Street, Algiers Point to Canal Street, and Lower Algiers to Chalmette. The M/Vs vary in size from 0 vehicles and 400 pedestrians to 60 vehicles and 1000 pedestrians.<sup>95</sup> Annual estimated ridership is 695,000 vehicles and 2,235,000 total passengers.<sup>96</sup> Monthly that equates to transit for 57,920 vehicles and 186,250 passengers. Annually, the Algiers Canal ferry carries approximately 1,000,000 passengers per year.<sup>97</sup>

Recent monthly reporting indicators show that approximately 1,600 planned man- hours were expended on marine maintenance activities per month, approximately 430 unplanned man-hours for marine maintenance activities were expended per month, and approximately 98% of scheduled trips were completed.<sup>98</sup>

The positions and manpower required on the ferry boats is mandated by the United States Coast Guard regulations and depends upon the vessel tonnage (*i.e.* the cargo size of the vessel). According the United States Coast Guard regulations, CCCD is required to have a Captain, an Engineer (mechanic) and 3 Deckhands on the ferries due to the tonnage. CCCD maintains twelve (12) crews that run seven (7) days a week at all five (5) locations. There are also Coast Guard limitation on ferry boats restricting the length of time crews can work to no more than twelve (12) hours at a time.<sup>99</sup>

The hours of operation for each of the three ferry crossings in the Greater New Orleans area is based upon usage. None of the crossings are operational 24 hours a day/7 days a week.<sup>100</sup> The Algiers Point/Canal Street ferry crossing has operated continuously (except for Katrina) since 1827 and the remainder of the ferry crossings have operated continuously since at least the 1960s as an integral part of the Greater New Orleans area urban mass transit system.<sup>101</sup>

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<sup>95</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 8.

<sup>96</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 9.

<sup>97</sup> 9/23/11 Meeting.

<sup>98</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 9.

<sup>99</sup> 8/12/11 Meeting Minutes.

<sup>100</sup> CCCD Ferry System Overview (printout), 9/9/11. The Gretna/Canal ferry crossing 11 hours M-Th, 16.5 hrs on Fri., 10.5 hrs on Sat., 7 hrs on Sun. The Algiers Point/Canal ferry crossing operates 18.25 hrs 7 days per week. The Lower Algiers/Chalmette ferry crossing operates 14.75 hrs, 7 days per week.

<sup>101</sup> Monthly Project Delivery Report: Crescent City Connection Division, August 2011, at p. 5.

Administration of the ferry systems is dependent in large part on the requirements of the United States Coast Guard.

Under Louisiana Revised Statute 48:196, the DOTD may utilize TTF monies on “funding projects for any road which is part of the state highway system but not part of the federal system.” It is based upon this mandate that DOTD maintains that it is not responsible for the operation and maintenance of the New Orleans Mississippi River ferry crossings. However, at one time, DOTD operated the Lower Algiers/Chalmette ferry crossing as the roadway was part of the state highway system. A portion of the road was deeded back to St. Bernard Parish, which effectively disconnected that ferry crossing from the state highway system and placed it under the responsibility of the CCCD rather than the DOTD. This shift appears to have been done to shift the cost of operations from DOTD to the CCCD; there appears to have been no significant operational reasons for this shift. If the portion of the road is given back to the state, this will reconnect the Chalmette/Lower Algiers ferry crossing back into the state highway system and obligate DOTD to maintain and operate that ferry crossing. The Lower Algiers/Chalmette ferry is essentially a car ferry that provides transport across the Mississippi River where there is no nearby structural bridge. As for the other ferry crossings in the metropolitan area, none of those are connected to the state highway system, as such DOTD has advised that it is not responsible for the costs of operation under current law.

The Gretna/Canal and Algiers Point/Canal ferry crossings do not connect to state roads. The use and operations of these ferry crossings are similar to the use and operations of the CCC Bridges in that they provide essential urban transportation to residents. The ferry crossing also relieve some of the congestion on the Bridge spans, as to not have the ferry crossings could result in more cars daily utilizing the bridge transit. According to DOTD, the bridge has the capacity of safely moving approximately 7,000 cars per hour in peak hours; a capacity that the bridge already meets.

## 2. Maintenance of the Ferry Service System

CCCD is responsible for maintenance of the ferry system assets including the current vessel asset inventory (consisting of six vessels, one (1) work barge, and one (1) tug boat) and the current ferry landing asset inventory.<sup>102</sup> Other landings/docks are in existence but it is currently unknown whether the CCCD provides maintenance or repairs of those docks.

The current fleet is aging and requires frequent maintenance and repairs. Additionally, United States Coast Guard regulations require each ferry to be dry docked once every five (5) years. Currently, there are eighteen (18) ferry landing projects with an estimated cost of \$8,900,000.00 to implement. These projects include items such as Canal Street ferry facility

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<sup>102</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 8.

escalator rehabilitation, fender/bumper repairs/replacements and the Algiers pedestrian access bridge.<sup>103</sup>

### 3. Costs to Operate the Ferry Service System

The CCCD operates six vessels, and utilizes three routes. The ferries service an estimated 695,000 vehicles and 2,235,000 total passengers,<sup>104</sup> and operates as a major artery of transportation for local workers, tourists and festival participants (*i.e.* Mardi Gras, French Quarterfest, Gretnafest, Jazzfest) and businesses.

The costs of the ferry system is high at approximately \$11.5 million in yearly operating (\$8.8 mil) and capital costs (\$2.6 mil).<sup>105</sup> Operating costs include approximately \$1,000,000.00 in annual fuel costs, \$1,000,000.00 in insurance and \$500,000.00 for labor.<sup>106</sup>

The costs of the Greater New Orleans ferry system is consistent with the costs incurred by DOTD to maintain the ferry systems in other parts of the State. For example, DOTD maintains five (5) ferry crossings statewide, eight (8) ferry boats, 1 push boat and barge combination and 1 maintenance facility. None of the boats are pedestrian boats. Total costs to operate the system in 2010 was \$12.3 million. The State collected approximately \$253,145.00 in tolls from those five (5) ferry crossing sites.<sup>107</sup> It is presently unknown whether that included any capital expenditures or if that is solely operation and maintenance. It was immediately obvious to the Task Force that the current ferry financial operating model does not work. Expenses exceed revenue by a factor of nearly 50.

Rick Herrington of HNTB Corp. suggested that to increase revenue from the ferries consideration should be given to privatizing opportunities at the ferry terminals, and selling advertising space on ferry landings. The ferry consultant Donald Liloia of S W Leader, Inc., who was CEO of a private company which operates waterborne ferries in the New York City area, noted that the ferries collectively provide an attractive opportunity for a “for profit” operator which could determine fares, and to some extent, scheduling. Ferries can be outfitted with electronic tolling and vehicles’ use of transponders. As noted by Mr. Herrington, the ferries need

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<sup>103</sup> Project Update on Act 403 of 1976 and Maintenance Projects, 8/25/11 Presentation, at p. 14.

<sup>104</sup> Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 9.

<sup>105</sup> Overview of Louisiana DOTD, 8/12/11, at p. 13; *see also* Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 10.

<sup>106</sup> 9/23/11 Meeting.

<sup>107</sup> 8/26/11 Meeting.

to be treated like another form of transportation across the Mississippi River, which is how they are being utilized.<sup>108</sup>

Currently, vehicles pay \$1.00 one way (\$.50 per axle)<sup>109</sup> and pedestrians are free, which yields \$252,000.00 in revenue.<sup>110</sup> Based upon the costs, it would take approximately \$4.40 per person under the current manner of operating to break even on the operational costs.<sup>111</sup>

Presently, the ferries are not marketed, do not utilize potential sources of advertising, do not utilize terminal space for potential vendors and do not charge pedestrians for usage. While the ferries constitute a valuable asset to this region, the income potential is woefully under developed. It should be noted, however, that even if the income potential of the ferry system is improved it is not likely that the ferry system will ever be totally self-sufficient. Instead, the ferries will require subsidizing from some source. According to DOTD's ferry consultants, ferries are considered public transportation and almost all are subsidized all over the country. Continuation of tolls on the Mississippi River Bridges for the benefit and betterment of the quality of life for all residents in the region, for completion of outstanding projects, and for upkeep of the bridges and ferries as vital arteries of transit between the East Bank and West Bank, is a good source of income for the subsidy and should be viewed as a reinvestment in the community both in its residents and its businesses.

4. Ferries are essential To the Greater New Orleans Area and its Mississippi River Bridge Region

If the Greater New Orleans area were to lose the ferry transit system across the Mississippi River, the Greater New Orleans area would be affected in four different areas: Transportation, Real Estate, Economic Development and Quality of Life.

a. Impact on Transportation

If the ferries were to be discontinued, more than 2 million people will be affected as they utilize these arteries for transit. Approximately, 1.2 million pedestrians and bicyclists who regularly take the Algiers Point ferry would have to find alternative transportation to work and

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<sup>108</sup> 8/26/11 Meeting.

<sup>109</sup> It should be noted that discounted fares are available for vehicles that use the ferry system. Tickets can be purchased for \$15.00 for 30 tickets, allowing vehicles to cross at \$.50 per trip. Currently, the discounted tickets are not widely marketed and under utilized.

<sup>110</sup> Overview of Louisiana DOTD, 8/12/11, at p. 13; see also Presentation of Administration, Maintenance, and Costs to Operate the CCCD Ferries, 9/9/11 Powerpoint, at p. 10.

<sup>111</sup> 9/23/11 Meeting.

play. For those who chose to continue living on the West Bank, their transportation options to the East Bank would be limited to: (a) driving; (b) taking the bus or © staying home.

b. Impact on Real Estate

Traffic delays factor into decisions as to where one resides. The concern lingers that real estate, especially in Algiers and Algiers Point, would suffer with increased bridge traffic, ineffective traffic controls, and insufficient transit across the Mississippi River. Such issues diminish the quality of life that so many seek by locating to the Westbank, and frustration with these issues may adversely impact home sales/rental and business rentals/location. These challenges would likely adversely affect real property values which would have an indirect affect on City revenues which are based on property taxes.

c. Impact on Economic Development

Numerous businesses in Algiers Point and near the Gretna landing thrive on ferry traffic. For example, there are numerous Algiers Point Bed and Breakfasts that routinely rent to persons who stay in Algiers and use the ferries to cross the Mississippi River to the French Quarter. Additionally, neighborhood businesses, artists and restaurants rely, in part, on monies obtained from tourists and residents who utilize the ferries and patronize businesses on the Westbank near the ferry landing. Moreover, the limited tourist use occurs despite virtually no marketing. Recent information provided to the Task Force indicated that with a private operator who would market the service, the ridership and income from tourists could be increased considerably. Residents of the Westbank and East Bank also rely upon the ferries for transportation to festivals like French Quarterfest, Jazzfest, Mardi Gras, Gretnafest, to sporting events like Saints games, major events at the Superdome, *e.g.* Sugar Bowl and BCS Championship games, and even track and field events like the Crescent City Classic. Concern lingers regarding the impact on the festivals and supporting events with limited transit options.

d. Impact on Quality of Life

Traffic delays, insufficient transit options, and ineffective traffic concerns affect the quality of life for residents throughout the State of Louisiana. Ceasing historic ferry operations would impermissibly restrict the transit options available to the Greater New Orleans area for traversing the Mississippi River. The City of New Orleans is attempting to implement a plan that beautifies and opens access to the banks of the River on the East and West banks with bike paths, walking paths, festival grounds, etc. Access between these areas via the ferries is vital to the capitalization of the investments, development of business opportunities and betterment of the quality of life of residents.

It is recognized by the Task Force that free ferry service at a cost of a \$9 million deficit is not an acceptable model for a transit option, and recommendations for immediate change are necessary. It is also recognized that the ferry system has the capacity to be converted to a money producing asset to the community but needs the proper marketing, seizing of financial

opportunities with vendors and advertisements, proper equipment that will result in decreased operational costs, and appropriate fares for usage.

The Task Force views the major problem with the current CCCD ferry system is the cost (\$9 million annually) as well as the deplorable condition of the aging fleet made worse by decades of deferred maintenance. The 2.9 million in annual ridership proves a definite need and demand for a viable ferry system but our current system is simply not cost-efficient. The ultimate goal is to create a ferry system that would attract privatization and require a minimum subsidy by the MRTA.

- B. Recommendations for the Administration, Maintenance, and Costs to Operate the Ferry Service System
1. Solicitation for Request for Proposals for Privatization of the ferry service should be sought immediately.
    - Contracting the management of the ferries to a company that specializes in mass transit may maximize best practices and efficiencies.
    - Privatization provides a mechanism by which the ferry system can continue to operate even though the ferry routes do not fall within the state highway system.
    - Interested private companies have indicated interest only if newer, greener, more fuel-efficient pedestrian ferries are provided (excluding the Chalmette route.) This is a one-time capitalization cost for new ferries that could be financed through bonding out of toll revenue and Highway Trust Fund #2.
  2. Increasing/institution of fares and maximizing on other income must be initiated. These recommendations should be put into effect regardless of whether privatization occurs.
    - Pedestrian fares should be instituted and be commensurate with other public transit fares in the New Orleans Metro area (which is currently \$1.25) with similar discounts regarding weekly passes, etc. Connectivity could be encouraged via transfer to land transit.
    - Vehicle fares should be raised (it is currently \$1 round trip) and limits placed as to the number of persons per car the base rate would include.
    - Terminal space, which is expected to be managed by the private company, should be leased out to shops and restaurants.
    - Advertising should be sold on boats and in terminals.
    - Concessions should be available on boats.
    - Absent a pedestrian fare of approximately \$4.40 per person each way, a subsidy would be required. Nationwide, public transit is not designed for profit but always subsidized by government. We are suggesting a \$1 million annual cap from the MRTA in order to supplement the revenue above.
    - Ownership of the vessels and property should remain with MRTA.

3. Federal grants to be applied for to offset the cost of purchase of new ferry boats and renovations to ferry landings and terminals.
  - Federal Grants in fiscal year 2007 through 2009 for the CCCD averaged approximately \$842,000.00 a year.
  - No federal grants were obtained for fiscal year 2010 or 2011.
  - It is estimated that federal grants will be received in the amount of \$600,000.00, but those grants are being issued for the ferries and ferry terminals.
  - If the ferries do not continue, the grant money will not be realized.
  - Additional grants may be available for conversion to environmentally friendly ferry system (jet-drives).
4. The three ferry routes in the current CCCD system ((1) Chalmette/Lower Algiers (2) Algiers/Canal St. (3) Gretna/Canal St.) must be tailored to fit the ridership.
  - Chalmette/Lower Algiers route is the most heavily trafficked by vehicles and the most profitable ferry route in the state.
    - According to one Plaquemines Parish official, Plaquemines Parish may be considering a proposal to consolidate its two ferry routes into one which may shift more traffic to Chalmette/Lower Algiers.
    - By putting another boat in service and increasing the fare per crossing on that route, Chalmette/Lower Algiers has the potential to make a profit and be the jewel in the crown to attract a private transit company.
  - Algiers/Canal Street route has 1.2 million users per year.
    - Currently, Algiers/Canal Street carries both pedestrians and vehicles and is the major artery for crossing the river without a car.
    - All private companies which have expressed interest in taking over ferry operations have indicated they may only do so with newer, greener more cost-efficient ferries on this route.
    - Federal grant money should be utilized to address the ferry needs on this route either through the replacement of the engine and thruster systems on the ferries (the project which is currently underway on the Thomas Jefferson) or through the purchase of more cost efficient ferries.
  - Gretna/Canal Street route has the least traffic and the service should be truncated to weekends and special events.
    - Currently there is no bus service to downtown Gretna, which is where the Jefferson Parish Courthouse is located.
    - A shuttle service should be instituted on weekdays from downtown Gretna to the Algiers/Canal Street ferry to ensure that Gretna is still linked to the Eastbank on weekdays but at a much reduced cost.

## **MINORITY RECOMMENDATION FOR A TRANSITION TO A TOLL-FREE BRIDGE**

### **Overview**

This document contains recommendations made by the Task Force on the Crescent City Connection, a commission established by Senate Concurrent Resolution No. 47 of the Louisiana Legislature in the 2011 Regular Session.

The plan presented in this document provides for the continuation of all essential services after the Crescent City Connection (“CCC”) Bridge tolls expire in December 2012 (this assumes that the State of Louisiana continues to operate the New Orleans Ferries and continues to maintain the Crescent City Connection Bridges.)

Here is a summary of the recommendations:

The task force recommends that essential services currently provided by the Crescent City Connection Division (“CCCD”) of the Louisiana Department of Transportation and Development (“DOTD”) be transitioned to the Mississippi River Transit Authority (“MRTA”), a new agency created whose primary mission should be to outsource and oversee (not manage) the essential bridge services.

The task force recommends that the Crescent City Connection Oversight Authority (“CCCOA”) manage and oversee all activities of the MRTA.

The task force recommends that the portion of Highway Fund No. 2 that is currently directed to the CCCD instead be directed to the MRTA via a new bond issuance made by the MRTA. The proceeds from this bond issue shall be used to fund a qualified capital project related to the CCC Bridges as determined jointly by the CCCOA and the DOTD.

The task force recommends that the CCC Police Department (“CCCPD”) be transferred from the CCCD to report to and be managed by the Louisiana State Police (“LSP”). The MRTA shall monitor and review the performance of the CCCPD and the patrolling of the bridges and ferries.

The task force recommends that the ornamental bridge lighting service on the CCC currently provided by the CCCD be managed and provided by the DOTD with the costs of this service reimbursed to the DOTD by the MRTA.

The task force recommends that the enhanced landscaping service on the CCC currently provided by the CCCD be managed and provided by the DOTD with the costs of this service reimbursed to the DOTD by the MRTA.

The task force recommends that the 3 Mississippi River ferry lines currently operated by the CCCD (the Algiers, Chalmette, and Gretna ferry lines) (“Ferries”) be operated and funded by the DOTD, with the Gretna ferry line suspended for the interim.

The task force recommends that fares on the Ferries be increased immediately to offset costs to the State. The task force recommends \$2 per automobile trip and \$1.25 per pedestrian trip however the DOTD should study the fare situation on the Ferries to determine the exact structure of the increases.

The task force recommends that the DOTD should study the feasibility of privatizing the Ferries as soon as possible to a competent and capable private entity that shall operate the Ferries using the existing ferry boats, terminals, and equipment which DOTD shall own. With the possibility of privatization of the ferry operations ahead, the Task Force does not recommend purchasing any new ferry equipment or terminals at this time until a decision on privatization can be made.

The task force recommends that all maintenance and capital projects on the CCC Bridges and Ferries be provided by the DOTD in a manner consistent with the maintenance and capital project funding and services provided by the DOTD to all other bridges and ferries in the State.

The task force recommends that a study be conducted by the DOTD to determine if the two High Occupancy Vehicle (“HOV”) lanes on CCC Bridge #2 can be used or configured with the existing bridge lanes and traffic flows in a more efficient manner than currently utilized so as to relieve vehicular congestion which occurs on the CCC Bridges during peak traffic conditions.

In summary, these recommendations continue every essential bridge service currently provided by the CCCD with no reductions in services whatsoever. Furthermore, no local, city, or parish municipality is required to assume or provide any financial, operational, law enforcement, or other assistance in any way. The DOTD can reduce Ferries expenses considerably in the interim by raising fares as described and in the long run by privatizing Ferries if feasible.

### **Mission of the Task Force**

The mission of the Task Force on the Crescent City Connection (“Task Force”) as written in the resolution authorizing its creation is “to analyze the transition to a toll-free bridge, law enforcement, ferry services, and all components and management of the operation of the Crescent City Connection Division of the Department of Transportation and Development.”<sup>1</sup> (Note that this interpretation of the resolution was not agreed to by all Task Force members.)

The Task Force consists of 10 members appointed by The Algiers Economic Development Foundation, the Harvey Canal Industrial Association, the Jefferson Chamber of Commerce, the Plaquemines Association of Business and Industry, Friends of the Ferry, Algiers Neighborhood President’s Council, West Jefferson Civic Association, Terrytown Civic Association, Westbank Redevelopment Corporation, Jefferson Business Council, Greater New Orleans, Inc, and the St Bernard Chamber of Commerce.

The Task Force was presented with a large amount of operational and financial information

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<sup>1</sup> Louisiana Legislature Senate Concurrent Resolution No. 47, Enrolled, Regular Session 2011

regarding the operation of the DOTD, the CCCD, the ferries, the CCCPD, bridge maintenance, tolling, and other issues. The Task Force also viewed presentations from various parties, and heard from many local officials, local law enforcement, and elected representatives regarding the CCCD and its operations.

## **Background**

The CCC Bridges and the Ferries are currently maintained, managed, and operated by the CCCD which is an operating division of the DOTD. The CCCD also manages the Crescent City Connection Police Department (CCCPD) and all toll collection operations on the CCC.

The Crescent City Connection Oversight Authority (“CCCOA”) is an existing 13 member commission authorized by the Louisiana Legislature which currently reviews, oversees, and makes recommendations regarding the management and operations of the CCCD.

There are 5 essential services currently provided by the CCCD:

1. **Bridge Police** – the Crescent City Connection Police Department whose primary responsibility includes traffic control and enforcement on the CCC Bridges, as well as bridge and ferry security.
2. **Bridge Lighting** – the maintenance and power for the ornamental bridge lighting on the CCC bridge structures. Other lower level lighting is also included in this service.
3. **Enhanced Landscaping** – this is grass cutting and trash pickup services on, around, and under the CCC bridges and the elevated Westbank Expressway which exceed the normal frequency of such services provided by the DOTD to other bridges across the State.
4. **Ferry Operations** – the operation and maintenance of the 3 Mississippi River ferry lines currently operated by the CCCD. These are Algiers/Canal Street line, Chalmette/Lower Algiers line, and the Gretna/Canal Street line. Also included are the operation and maintenance of the associated ferry terminals.
5. **Bridge Maintenance** – includes the maintenance, inspection, repair, and painting of the structure and roadway surfaces of the CCC Bridges and approaches.

## **Bridge Police**

The CCCPD is a separate police force of 24 officers and 4 dispatchers who are dedicated to patrolling the CCC, managing traffic, and providing other associated security and law enforcement operations. The CCCPD is currently managed by and reports into the CCCD.

Because of the number of vehicles crossing the CCC and its importance as a vital traffic artery in the New Orleans area, a dedicated police force is recommended for the CCC, mostly for traffic control.

The MRTA should outsource the CCCPD to the LSP and provide \$2.5M per year (which is no reduction in headcount or budget from current level) using Highway Fund No. 2 to fund this

service.

The LSP has stated that they could take over and manage the CCCPD provided they were given the additional funding to pay for the CCCPD personnel and equipment.

### **Bridge Lighting**

Bridge Lighting and maintenance of the ornamental lights on the CCC Bridge span structures is currently performed by the CCCD. The CCCD also pays the power required for these lights.

The CCCD's cost in 2010 for this service was \$800K. The DOTD does not provide ornamental bridge lighting or fund power costs for such lighting on other bridges across the State.

The MRTA should continue the Bridge Lighting services by outsourcing these to the DOTD and then provide \$600K per year (which is no reduction in budget from the current level of funding) from Highway Fund No. 2 to DOTD to pay for this service.

### **Enhanced Landscaping**

Landscaping, grass cutting, and trash pickup are currently performed by the DOTD on and underneath the CCC Bridges, approaches, and the elevated Westbank Expressway. This service spans multiple local municipalities including the parishes of Orleans and Jefferson and the City of Gretna.

Currently the DOTD provides these services at a higher frequency than is normally provided to other State bridges. The DOTD's cost in 2010 for this enhanced landscaping service was \$1.2M.

The MRTA should continue the Landscaping service by outsourcing it to the DOTD and provide \$1.2M per year (which is no reduction in budget from the current level of funding) from Highway Fund No. 2 to DOTD to pay for this service.

### **Ferry Operations**

The DOTD should assume the operation of the Ferries until these lines can be immediately privatized to a capable organization.

The DOTD should retain ownership of all ferry boats, equipment, and terminals so that in the event of natural disaster, emergency, or in the event of financial default of the private ferry operator, the DOTD/State of Louisiana could control and operate the ferries quickly and easily if absolutely required.

Ferry fares should be immediately raised on the Algiers and Chalmette ferry lines after study by the DOTD. An increase to \$2 per vehicle and \$1.25 per pedestrian would generate about \$2M per year in revenue that would offset the DOTD's costs, reducing ferry operating costs (of Chalmette

and Algiers only) to about 3.0M per year.

The DOTD should then study and consider privatization of the Ferries (through a public private partnership) as soon as possible as this could dramatically lower or potentially even eliminate State ferry costs completely.

### **Bridge Maintenance**

Bridge maintenance on the CCC Bridges (structural, road surface, and painting) should be performed by the DOTD as is now performed by the DOTD for the rest of the bridges it maintains across the State.

### **Highway Fund No. 2**

Highway Fund No. 2 is a Louisiana tax fund created by an amendment to the Louisiana Constitution in 1952. It is funded by a portion of the vehicle license tag fees charged in the 6 parishes surrounding Lake Pontchartrain (Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany). Note that Plaquemines parish does not contribute monies into Highway Fund No. 2.

By legislation, Highway Fund No. 2 is currently split 50/50 between the CCC and Causeway Bridges. Highway Fund No. 2 was originally intended to pay for debt service payments on capital bonds.

In 2010, the CCC's half of Highway Fund No. 2 amounted to \$5.4M. In 2012, the CCC's half of Highway Fund No. 2 is projected to be about \$4.6M

Legislation pertaining to Highway Fund No. 2 specifies that if there are no outstanding bonds issued by the MRTA which require a debt service payment then the CCC's portion of Highway Fund No. 2 shall revert back to the DOTD.

The primary reason that the Task Force is recommending that the MRTA issue bonds is to retain the ½ portion of the Highway Fund No. 2.

The bond issue is estimated to generate about \$1M in one-time funds with an annual debt service of about \$100K per year. These one-time funds should be used on a bridge related project (for example reconfiguring the HOV lanes for better overall bridge efficiency) as determined by the CCCOA and the DOTD.

**Financials**

CCCD 2010 Financials (source: DOTD)

<b>CCCD Income (Millions)</b>		
Tolls	20.7	
Hwy Fund #2	5.4	
Ferry Fares	0.2	
Rental Income		1.2
<b>Total</b>	<b>27.5</b>	

<b>CCCD Expenses (Millions)</b>		
Ferry Expenses	8.2	
Toll Collection		4.1
Bridge Police	2.5	
Debt Service	2.4	
Bridge Maintenance	1.8	
Capital Projects	1.6	
Landscaping	1.2	
Bridge Lighting		0.6
Professional Svcs	0.4	
Bank Charges	0.2	
<b>Total</b>	<b>22.9</b>	

**CCCD Profit/Loss (Millions)      4.6**

Ferry Expense in 2010 consisted of the following ferry lines:

Chalmette	2.9
Algiers/Canal St.	3.5
Gretna	1.8
<b>Ferry Expense</b>	<b>8.2</b>

Here is the proposed budget for the MRTA:

<b>MRTA Income (Millions)</b>	
Hwy Fund #2	4.6
<b>Total</b>	<b>4.6</b>

<b>MRTA Expense (Millions)</b>	
Bridge Police	2.5
Landscaping	1.2
Bridge Lighting	0.8
Debt Service	0.1
<b>Total</b>	<b>4.6</b>

**MRTA Profit/Loss (Millions)      0.0**

## ADDENDUM A

### Studies, Audits and/or Reports

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Revenue Stream Accounting Process and Controls Analysis, Postlethwaite & Netterville, 3/31/11

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Bonding Presentation, Meredith Hathorn, Folly & Judell, L.L.P.

CCCD Administration, Maintenance and Costs to Operate CCCD Ferries, DOTD/CCCD, 9/9/11 and 9/23/11

CCCD Bridge Insurance Correspondences and Related Insurance Premiums from 2007 to 2012

CCCD Capital Outlay Expenditures for Fiscal Years 2005 to 2011, DOTD

CCCD Ferry System Overview and DOTD Ferry System Overview, 9/09/11

CCCD HB2 Appropriation Balances as of 10/4/11, DOTD/CCCD

CCCD Marine Operations Pay Plan, DOTD/CCCD

CCCD Police Department Pay Plan, DOTD/CCCD

CCCD Summaries of 2011 Police Study, 2010 Compliance Audit, 2009 Performance Audit HR No. 13, 2008 Bridge Police Audit, 2008 Forensic Audit/Interim Report, 2008 Forensic Audit, 2008 Performance Audit

Comparison of Costs and Services for CCC with Existing Toll Revenue and without Toll Revenue, DOTD/CCCD

Crescent City Connection Police Department, An Overview, Chief of Police Peter E. Maggiore, 9/9/11

Crescent City Connection Toll Plaza Traffic Operations Issues and Options, Steven C. Strength, P.E., PTOE, DOTD, 9/9/11

Ferry Costs and Cost Benefit Data, Fiscal Year 2010, 9/9/11

Ferry Operations and Cost Analysis, DOTD

Photographs of Landscaping, Grass, Trash Pick Up, Rep. Patrick Connick, 1/17/12

Prioritized CCCD Bridge Deficiencies and Estimated Costs, DOTD

Project Update on Act 402 of 1976 and Maintenance Projects, 8/26/11

Operating Budget for DOTD Ferries, DOTD, 8/24/11

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### **Statutes and Legislative Resolutions**

Article VI, Act No. 18, Chef Menteur Bond Amendment

Exemptions from Tolls and Accompanying Legislative Statutes, (La. Rev. Stat. 40:1392, LAC 70:I.513, LAC 70:I.503, La. Rev. Stat. 33:1975, LAC 70:I.505, LAC 70:I.507, La. Rev. Stat. 48:1000, LAC 70:I.511, La. Rev. Stat. 29.27, La. Rev. Stat. 17:157, La. Rev. Stat. 48:971, La. Rev. Stat. 972, LAC 70:I.509)

La. Rev. Stat. 47:820.5 (Expiration of Tolls)

La. Rev. Stat. 48:196 (State Highway Improvement Fund)

Senate Concurrent Resolution No. 47, Regular Session, 2011