

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 3, 2005

TO: Honorable David Swinford, Chair, House Committee on State Affairs

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3285 by Swinford (Relating to the abolition of the State Aircraft Pooling Board and its functions.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3285, As Introduced: a positive impact of \$10,497,823 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$10,354,483
2007	\$143,340
2008	\$143,340
2009	\$143,340
2010	\$143,340

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Savings/ (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Savings from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Savings/ (Cost) from <i>STATE HIGHWAY</i> <i>FUND</i> 6
2006	\$19,487,071	(\$9,132,588)	\$0	(\$383,600)
2007	\$0	\$0	\$143,340	(\$383,600)
2008	\$0	\$0	\$143,340	(\$383,600)
2009	\$0	\$0	\$143,340	(\$383,600)
2010	\$0	\$0	\$143,340	(\$383,600)

Fiscal Year	Probable Revenue Gain/(Loss) from <i>APPROPRIATED</i> <i>RECEIPTS</i> 666
2006	(\$196,000)
2007	(\$196,000)
2008	(\$196,000)
2009	(\$196,000)
2010	(\$196,000)

Fiscal Analysis

The provisions of the bill directs Texas Department of Transportation (TxDOT) to sell the State Aircraft Pooling Board (SAPB) facility located at the Austin-Bergstrom International Airport for no less than the amount contained in the current market value assessment of the property that shall be made by the General Land Office. The bill also provides charge and control to TxDOT over the approximately three-acre property formerly operated by the SAPB at the site of the former Robert Mueller Municipal Airport. TxDOT may only use the property for purposes consistent with the operation of an intelligent transportation system unless the City of Austin and Travis County agree to a different use and lease an unneeded portion of the property if the lease is approved by the City of Austin and Travis County.

The bill would take effect September 1, 2005.

Methodology

According to Texas Department of Transportation (TxDOT), the value of the twelve SAPB aircraft at fair market value is estimated to be \$12,365,000. TxDOT also assumes selling related equipment and inventory items at 25 percent of their purchase value would generate an amount estimated to be \$122,071. TxDOT indicates this would depend on the market for used equipment and tools required for repairing aircraft as well as miscellaneous used computers and printers.

The sale of the SAPB facility is estimated at \$15 million. However, the lease agreement stipulates that the City of Austin would gain control of the surrendered facility and would pay fair market value at the time of surrender. The provisions of the bill require an appraisal of the improvements at the Austin-Bergstrom International Airport by the General Land Office. The hangars and terminal building were built with Texas Public Finance Authority (TPFA) bond funding for approximately \$7 million. The City of Austin spent approximately \$8.5 million for the apron and taxiway. While the entire facility could appraise for \$15.5 million including apron and taxiway, this analysis assumes that the City of Austin would only pay for the hangars and terminal since it previously paid for the apron and owns the land. Therefore, this analysis reflects \$7 million for sale of the buildings.

The repayment of bonds for the purchase of one aircraft and two fuel trucks issued by the TPFA with repayment is estimated to be \$2,573,788. The outstanding bond retirement for TPFA for the SAPB terminal and hangars is \$6,558,800.

This analysis assumes TxDOT will not lease any portion of the 3 acres at the Robert Mueller Airport. According to TxDOT, the determination of any lease of this land would be the decision of whichever division/district controls the use of the intelligent vehicle system. The Texas Building and Procurement Commission currently leases the old terminal building and hangar at the Robert Mueller location and it is assumed that those proceeds would be used to pay the debt service for that location. Those costs and lease revenues are not included in this analysis.

Currently, the Texas Parks and Wildlife Department (TPWD) and the Department of Public Safety (DPS) contract with the SAPB for use of their hangars and facilities. It is estimated that the TPWD would absorb any additional costs associated with obtaining services from a private facility.

DPS leases hanger space from the SAPB for its aircraft; however, DPS provides 24-hour security at an estimated cost of \$200,000 per year in lieu of rent. DPS also contracts with the SAPB for aircraft maintenance and discounted fuel. For the purposes of this analysis, it is assumed that DPS would obtain hanger lease space with a private facility and would incur additional costs of \$200,000 for its aircraft, \$133,600 for aircraft maintenance and \$50,000 in fuel costs from State Highway Fund 06 each fiscal year.

According to the Building and Procurement Commission, a loss of revenue in Appropriated Receipts in the amount of \$196,000 each year is estimated from the anticipated loss of rental revenue at the Robert Mueller site and a savings of \$143,340 starting in fiscal year 2007 is anticipated from not providing property maintenance services at the Bergstrom site assuming the property takes a year to sell.

Local Government Impact

The City of Austin would need to make available on September 1, 2005, the Fair Market Value of the facilities at Austin-Bergstrom International Airport as determined by General Land Office, currently estimated to be \$7 million.

Source Agencies: 303 Building and Procurement Commission, 305 General Land Office and Veterans' Land Board, 405 Department of Public Safety, 601 Department of Transportation, 802 Parks and Wildlife Department

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