

Paying \$1.8 billion share for levees will leave little for other projects

Posted by [ccharpen](#) July 01, 2008 22:10PM

The \$1.8 billion that Louisiana will have to pay over the next three years as its share of the \$14.8 billion in approved levee construction will cripple other coastal projects, the governor's adviser on coastal issues said.

The expense could further force draconian cuts in the rest of the state's operating budget, said Garret Graves, chairman of the Coastal Protection and Restoration Authority and director of the Governor's Office of Coastal Activities.

His comments came in the wake of Congress' denial last week of a state-sponsored plan to reduce the state's share of the cost and spread the payments over 30 years.

"The bottom line is there is no way possible for the state of Louisiana to come up with the amount of money that Washington is asking of us" without harming recovery and eating into regular government services, Graves said.

The huge payment -- the state's share of the cost to strengthen levees to protect against so-called 100-year storms -- would soak up all the money needed to pay the state's share of 17 major coastal restoration projects authorized by Congress last year. Neither could the state finance the proposed 72-mile Morganza-to-the-Gulf 100-year levee that would protect the Houma area, Graves said.

The state cost-sharing requirement was included in the final version of a supplemental Iraq war financing bill signed by President Bush on Monday, which includes \$5.8 billion in federal money to complete the 100-year-storm protection by 2011. About \$1.3 billion of the federal money -- matched by state dollars -- would pay for drainage projects inside the levee system.

An earlier Senate version would have required the state to pay only about \$1.5 billion and also would have allowed the money to be paid over 30 years. But the provision was stripped out of a House-approved version of the bill with a smaller overall price tag acceptable to Bush, which the Senate approved last week.

Graves still hopes that Congress will approve both changes in the state payment requirements this year.

Mayor Ray Nagin's spokeswoman issued a statement of support on his behalf, recalling the president's Jackson Square pledge after the flood.

"This is all a part of President Bush's pledge to do whatever it takes to rebuild New Orleans better and safer," the statement said.

Second chances

U.S. Sen. Mary Landrieu, D-La., has received assurances from Sen. Robert Byrd Jr., D-W.Va., chairman of the influential Appropriations Committee, and Senate Majority Leader Harry Reid, D-Nev., that the provisions will be included in another emergency supplemental appropriations bill aimed at addressing flooding in the Midwest. Meanwhile, U.S. Sen. David Vitter, R-La., has already submitted stand-alone legislation calling for the changes.

But time is running out. "If you look at the calendar, and this being an election year and Congress leaving on the 9th of August, and then being on recess with a full-scale election campaign in the fall, there's not a lot of

time," said Stephanie Allen, spokeswoman for Landrieu.

Graves expects to see a bill from the corps for between \$550 million and \$600 million by year's end, with \$1.1 billion needed through 2009.

The Legislature set aside \$300 million from the state's 2007 budget surplus for the Coastal Protection and Restoration Authority to split up among coastal restoration and levee projects this year. The authority has delayed action on those expenditures, awaiting action by Congress on the state share. Graves said the state might have to revisit its proposed use of the state's share of about \$550 million in Coastal Impact Assistance Program money, the majority of which was supposed to be set aside for wetlands restoration projects or for infrastructure along the coast. Under federal law, only 23 percent of that money can be used for levees.

Revenue sources

The state also has the option of issuing bonds that would be redeemed with revenue from the state's future share of offshore oil revenue, Graves said. Congress approved a new offshore revenue sharing scheme last year under which the state will receive about \$20 million a year until 2017. After that, the state will receive as much as \$600 million a year that can be used only for coastal restoration and levee projects. Those bonds, however, might not secure the needed money, or come at a high debt cost, because of the uncertainty of future revenue streams.

Local levee districts also could be called on to raise property tax millages, but the districts face similar restrictions. The two Southeast Louisiana Flood Protection Authorities can adjust millage upward by only 10 percent without a vote by district residents.

"We could increase it somewhere in the order of \$5 million to \$10 million a year," said Tim Doody, president of the east bank authority.

Another alternative is to sell the nonlevee assets of the Orleans Levee District, which were transferred to the state Division of Administration by the Legislature after Hurricane Katrina. Those assets include the Lakefront Airport and South Shore Harbor.

The state already is negotiating with the corps over how to maximize the value of other property and services it can use in offsetting the construction costs. For instance, the Orleans Parish School Board owns land in the path of a proposed barrier that will be built across the V-shaped area between eastern New Orleans and St. Bernard Parish.

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Categories:

Comments

MyIrishEyes says...

Why would a LEVEE district own an airport? If it is NON-LEVEE and the LEVEE ditrict owns it - SELL IT!! Why would a SCHOOL BOARD own swamp? SELL IT!

What politician's relative got tax money for them when they were first purchased? God this place is unbelievable. -Irish

Posted on 07/01/08 at 10:30PM

nonesuch says...

"The bottom line is there is no way possible for the state of Louisiana to come up with the amount of money that Washington is asking of us without harming recovery and eating into regular government services."

Load of bull. Last year, the plan was to collect megabucks for coastal restoration by selling revenue bonds using the newly acquired royalties for Federal offshore leases and the source of payback--all without touching general revenues.

Now it may have been preferable to use this cash for coastal restoration instead of immediate levee construction, but Graves shouldn't say that there is 'no way possible to come up with the money' at the expense of the general or capital funds.

But, that typical Graves: loudmouth, shoot from the hip, and glib. I don't trust him.

Posted on 07/01/08 at 10:52PM

batguano says...

Levees and coastal restoration are the number 1 and 2 priorities for SE LA. Pipe dreams like the billion dollar Charity Hospital replacement and the "biomedical corridor" are like replacing the drywall and carpet while the roof is still leaking.

Posted on 07/01/08 at 10:55PM

uriyah says...

For all their posturing and bravado, Vitter and Landrieu failed, plain and simple.

Posted on 07/01/08 at 10:59PM

nonesuch says...

And if the article above is correct, 1.3 billion of the 1.8 billion is for internal drainage, i.e. SELA, not levees.

Posted on 07/01/08 at 11:01PM

bayoustjohn says...

This is yet another "stroke of the pen" thing Bush could do to keep his promise to the people of the Gulf Coast... but he won't. And his former administration official, mr Jindal can't help this? And of course, the state of Louisiana can't do things like levees and coastal because they are very excited about cutting taxes (no, we weren't going to need that 300 billion, right?).

Just why are we still with Louisiana?

Posted on 07/01/08 at 11:05PM

murkyH2O says...

Well put, bayoustjohn. The chickens are coming home to roost. And to think that the legislature was on the verge of doing away with the state income tax. Now, what were they thinking where is the \$ to pay this going to come from? Keep cutting taxes and you may cut your nose in the process. We are a vulnerable state. I am not advocating raising taxes, but think long and hard before spending \$ and doing away with Stelly and other sources of revenue. Politically expeditious, but fiscally irresponsible.

Posted on 07/01/08 at 11:29PM

1Bucktooth says...

Posted by: Bucktooth

^^_^_^_^_^_^_^_^/

Pay the match money with a bond issue and spread the payment over 100 years.

Otherwise the projects are all dead.

Do you think St. Bernard or Plaquemine has the tax base that Orleans and Jefferson do?

When are we going to get people who can think running the show.

All we have are excuses for doing nothing.

It is time for a house cleaning in Baton Rouge.

Posted on 07/01/08 at 11:56PM

TwoFish says...

Nonesuch: I met with people in Washington about this. Despite Sen. Landrieu's claims of billions, the energy money is only a few million a year for at least the next several years. There isn't even close to enough money to bond. Bet you lunch that the numbers in the article are off by hundreds of millions.

Posted on 07/02/08 at 12:45AM

gnossos says...

Once again the Republicans in Congress preferred "fiscal responsibility" to the welfare of the people.

Posted on 07/02/08 at 1:18AM

Candycan says...

gnossos,
that is the problem...too much welfare of people.

Posted on 07/02/08 at 7:05AM

Shabba says...

MyIrishEyes....in Mississippi, school districts own multiple tracts of land they make money from, so it's not uncommon. As for what's going on with this, it's a matter of what people really want. It would be interesting to see what the result of a vote would be if a tax levy more than 10 percent were initiated. Would all this change in an Obama Administration? Hmmm...

Posted on 07/02/08 at 7:38AM

widewater says...

Get it from the oil companys. They make their money here and bring it to Houston.

http://www.cruisebruisse.com/gulf_of_mexico_oil_platorms.jpg

Posted on 07/02/08 at 8:16AM

Mover49 says...

The US taxpayers will pay \$13 billion. In these times of economic crisis, how much more does NOLA want? The citizens must pull their community--if there is one--up and do the rest themselves.

Posted on 07/02/08 at 9:07AM

chevss56 says...

Well Mover49 it seems after three years you still don't have a f***ing clue. You want to know what we want? Everything that smirking chimp of a president promised us period!

And take that smug attitude off your a** because the next time it might be your community aka Iowa, Illinois, Missouri.

No crocodile tears here for you. Seems most of those people wanted to know why we lived in a bowl. Same goes for them.

Why do you live there? Now see how much help they get re-building levees. HaHa.

Posted on 07/02/08 at 9:21AM

Mover49 says...

Most of us know not to believe what a chimp tries to tell us.

Posted on 07/02/08 at 9:35AM

MMMOzarks says...

Why don't we just take one month of the money for the war, and use it to rebuild the Gulf Coast and up the river where the other disaster is still on going. Just one month should be enough for all the current problems domestically.

Posted on 07/02/08 at 10:03AM

br2no says...

MMMOzarks I hear ya!!

This country has it's priorities screwed up!!

Posted on 07/02/08 at 10:12AM

coverfire2 says...

chevss56:

Exactly as you say, but even more. Does the rest of the country realize they've been paying taxes to build up the SOLA levee system since 1965, AND IT'S STILL NOT DONE?

Bush is the current whipping boy for this debacle, for sure, but every Congress since the 60's has dipped into the Flood Control Act fund for every little pork barrel project you can think of.

You know it, I know it, it's time the rest of the country knows it, too...depend on the government, and you're bound to get screwed.

Unlike most of the country, however, we're double winners....we're stuck with totally inept local government, also.

Posted on 07/02/08 at 11:00AM

AhContraire says...

IT WILL EASY TO PAY FOR LEVEES.
HERE'S HOW...

1. Increase alcohol taxes on Bourbon Street, right. That's all New Orleans is all about, right? When local tv news such as WWL-TV, WDSU, FOX, etc want to know what the state of the economy is in the city, they run to a balcony and look down as say, "Wow, look at all these people, the city will have lots of cash in it's coffers tommorrow"
2. Increase gambling taxes at Harrah's, the lottery and the riverboats, right, That's all the local tv news broadcasts and talks about anyway. In fact, they give monthly reports on casino revenues and weekly reports on lottery numbers.
3. Add a few more days to existing festivals and think of a new one just for building levees. Heck, why not have a Mardi Gras weekend every week of the year if need be, right?
4. Cut the school and higher education budget in the city and LSU in Baton Rouge by at least 50%. Why, cause there are no Fortune 500 companies in New Olreans and Louisiana anyway so why would they need any high school or college graduates anyway? The bars on Bourbon Street and gambling certainly don't need college graduates and high school grads leave the state anyway as they have been for the last several decades.
5. Cut the Louisiana public health budget and get ridt of the public hospitals, well at least the the mental services (as the City of New Orleans needs more gamblers to spend more and drink more, i.e. be more addicted, (Hey they are "ADULTS" right? they don't need to be told what to do, right?)
6. Get rid of any enforcement agency, from policy to ethics to the inspector general. The politicians are

honest right? They wouldn't do anything to stop funding of the levees right? Everyone in the city should be really good people anyway...all for the sake of survival from hurricanes right?

Ooooppps!

Reality has now set in.

Tourism, the Lottery, gambling, Bourbon Street, Mardi Gras, Jazz Fest, great food, fun, history, culture has given New Orleans the status of POOREST CITY, HIGHEST MURDER RATE, can't pay for anything, always in debt, pothole city, sewerage and water board that pumps twice as much water as needed while the wasted water ERODES the foundation of the streets, houses, etc...That will be billions right there. Last place schools, a police dept. that can't even get to pre-Katrina manpower levels...and what? zero Fortune 500 companies?

Are you listening restaurant and land owners, lawyers, consultants and anyone who has donated to a politician's campaign?

You got what you wanted right? It was all in the back room right?

Posted on 07/02/08 at 11:33AM

evetssug says...

Another problem Governor Jindal created: lowered hundreds of millions of dollars of state taxes without thinking that he will need those hundreds of millions of state funds to match federal funds for levee construction. Now Governor Jindal either will have to not build the levees or stop essential state services. Governor Jindal is making things worse in Louisiana. But this was predictable when he started his administration with a scandal with the legislature. Any more problems and he will have to step down.

Posted on 07/02/08 at 12:13PM

wgas says...

We should not have to pay back anything for the re-building of the levee system. By the admission of the Corps, the levees failed due to faulty design and construction, not lack of maintenance by locals. We were charged for the levees when they were first constructed improperly. Why should we be liable to pay again for what we've already paid for.

Posted on 07/02/08 at 1:10PM

FLOODWALL says...

Shame on Vitter and Landrieu.

The federal gov. carves a waterway through our coastal zone so that the big \$ shipping interests can more easily move stuff from FL to TX and our coastline is cut and dissolving. Texaco and Exxon carve up our coastline like jack the ripper and the coast dissolves more. Old time state politicians peeve Washington off and we get no share of offshore oil revenues for 50 or 60 years.

Federal scientists ignore the coastal loss even though it was documented 60 years ago. The feds decide to carve St. Bernard a new one and call it MRGO. The results of this carelessness are finally realized by all of us in 2005 when everything on the east of town is drowned. In comes Bush, the media, the Corps and the ASCE and the blame is methodically put to the people here since blaming careless engineers and coastal scientists would eventually lead to the culpability of Congress being discovered.

Thanks to the administration's successful 'BLAME THE VICTIMS' campaign, with support from the ASCE, Congress sticks it to us.

Thanks to Vitter's impotence, Jefferson's shame and that whiney sound you hear when Landrieu speaks, we are screwed again, tragically

Posted on 07/02/08 at 1:52PM

murkyH2O says...

Floodwall,

Your last sentence is a nice summation of our representation in Washington. Vitter was not that effective prior to the revelations of his shenanigans; he is even less effective now. What has he accomplished? The spokesperson for right wing ideological causes (had to LOL when I read that he and Sen Craig, (R-ID) were cosponsoring a definition of marriage amendment to the Constitution, those two? Can't they find someone better?). Jefferson..please, what representation?. And Mary, sometimes she is in, sometimes she is out. Can't we do better? You are right, why do we even bother to vote?

Posted on 07/02/08 at 3:32PM

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