



NY Works Task Force

Meeting of the Task Force

Monday

June 4, 2012 – 1:00 p.m.



On May 3, 2012 Governor Andrew M. Cuomo and Legislative leaders announced the membership of the NY Works Task Force, bringing together leading finance, labor, planning, and transportation professionals to coordinate a statewide infrastructure plan that will more effectively and strategically allocate New York's capital investment funding and create thousands of jobs.



Agenda

- **FOR CONSIDERATION**
- **OVERVIEW**
 - Current Capital Budget
 - Presentation
 - Discussion (Oral)
- **STRATEGY**
 - NYS Regional Economic Development Councils
 - Remarks
 - Discussion (Oral)
- **CAPITAL**
 - Port Authority Capital Planning
 - Review of projects
 - Discussion (Oral)
- **CLOSING REMARKS**



Robert L. Megna- *Budget Director*

Current Capital Budget

New York State Capital Overview: Constraints and Opportunities

June 4, 2012

Overview

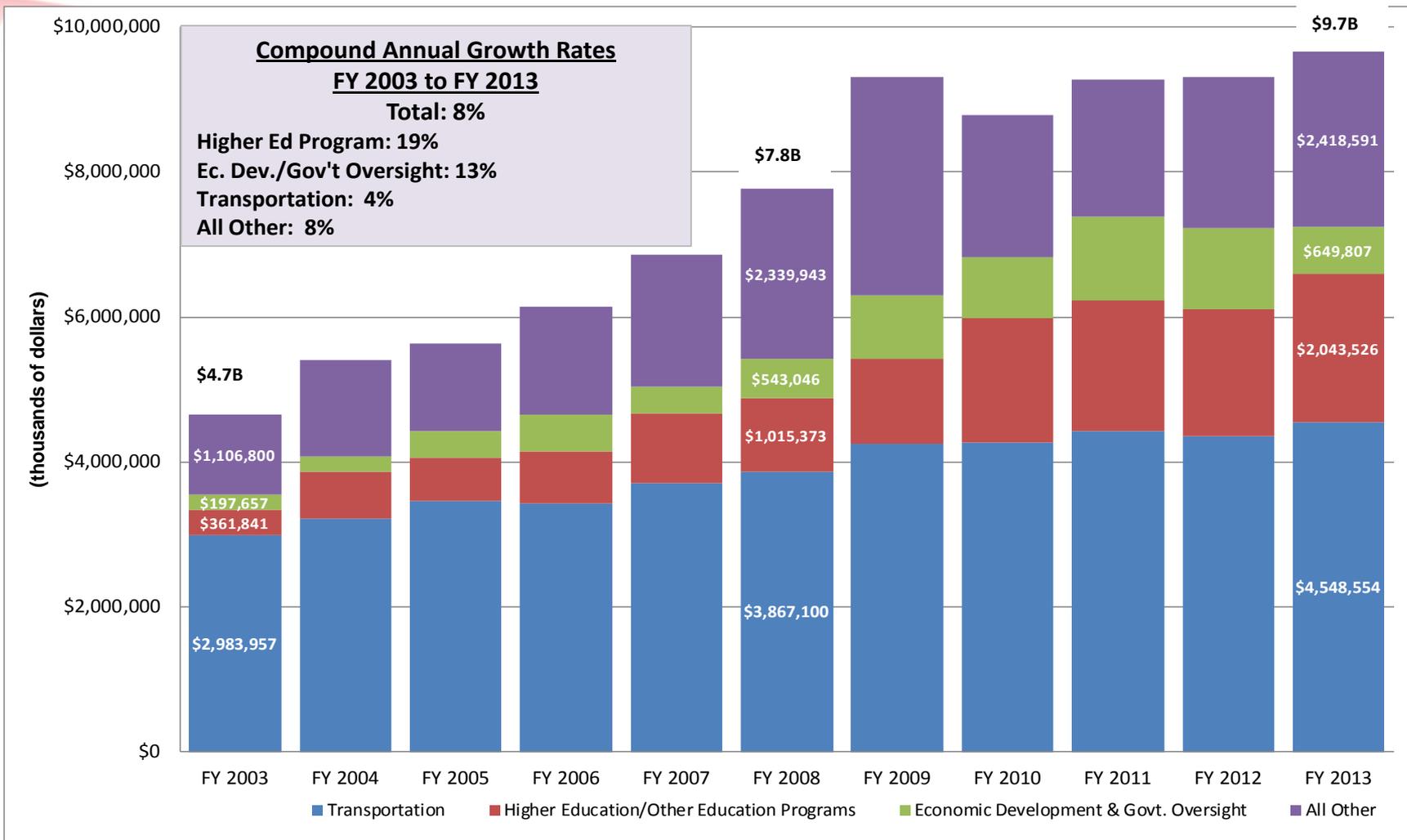
- In FY 2013, the State expects to spend \$9.7 billion on capital works and purposes, an increase of 3.8 percent from FY 2012 (FY ended March 31, 2012). From FY 2003 to FY 2013, capital spending increased at approximately 8 percent annually.
- New York State's primary government (the "State") accounts for a little less than 30 percent of total capital spending by governmental entities; the rest is done by localities (including New York City) and public authorities (e.g., MTA; Thruway; Port Authority).
- The State authorizes its share of capital spending as part of the annual budget process. Other governmental entities approve capital spending through their own distinct governmental and administrative processes (e.g., MTA Capital Program and Review Board).
- The State finances its capital activities from three sources: long-term bonds, State pay-as-you-go resources, and Federal aid.
- In FY 2013, bonds will finance 54 percent of capital spending; State "pay-as-you-go" resources, 27 percent; and Federal aid, 19 percent.
- Most long-term bonds to finance State capital activities are issued by State public authorities (principally, the Dormitory Authority and Empire State Development Corporation) acting as agents on behalf of the State.
- The debt issued by authorities on behalf of the State is secured by State resources and viewed by investors as an obligation of the State (authorities also issue "conduit" debt that is not a State obligation).
- The "pay-as-you-go" share of capital spending consists of Federal aid and State funding for projects that, for the most part, are not eligible for tax-exempt bond financing.

Overview

- The State does not have a comprehensive, unified, long-term process for evaluating and prioritizing capital projects within its own budget process.
- The State's capital planning process is marked by "silo-based" decision-making without reference to statewide priorities -- and a legislative process that often favors capital spending directed by legislators.
- Over the past decade, the State's allocation of new capital resources has been weighted toward higher education and economic development.
- The State's historical lack of attention to capital planning and affordability has created pressure on the State's debt limits.

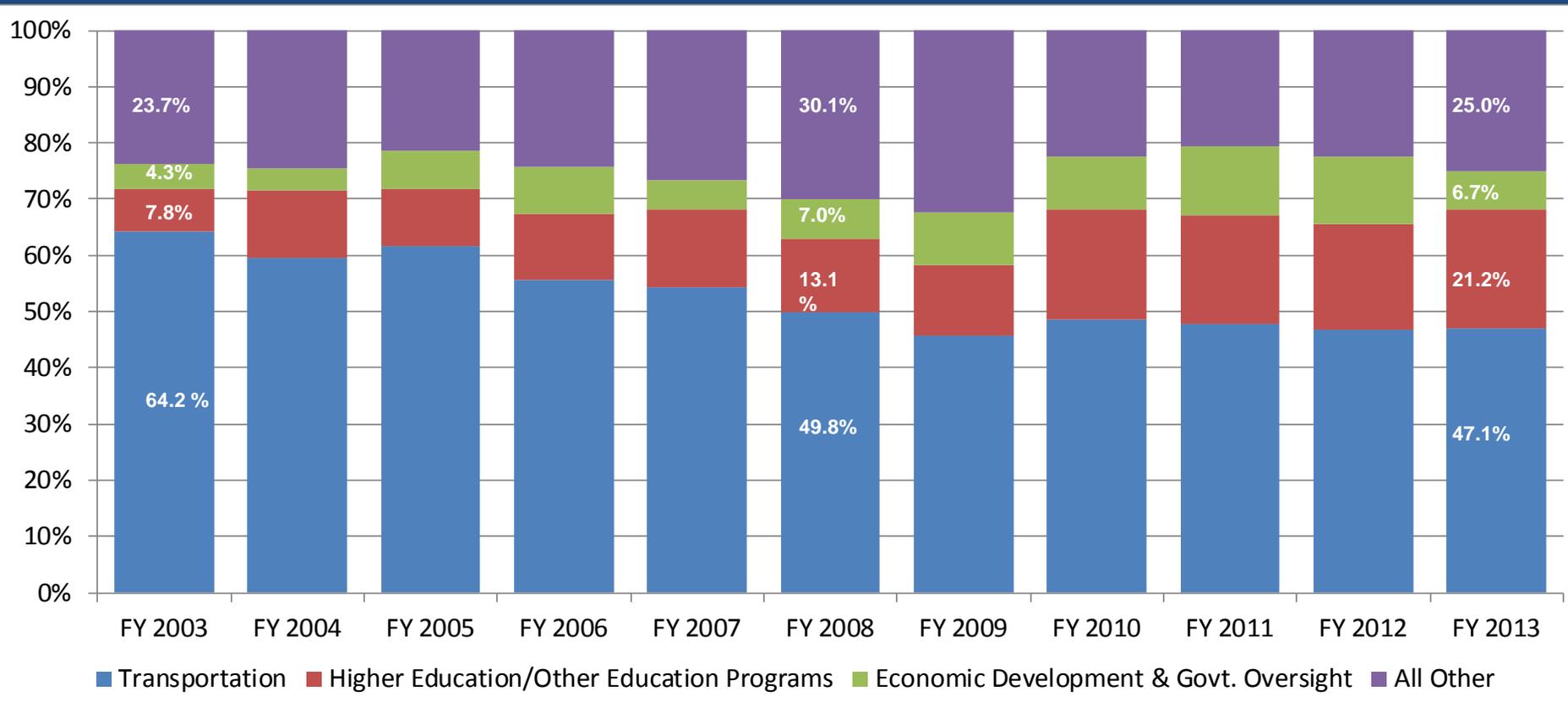


Where It Goes: State Capital Spending by Purpose (All Sources)



- By comparison, the growth rate over this period was 7 percent for Medicaid, 5 percent for Education aid, and 5 percent for State Operations.

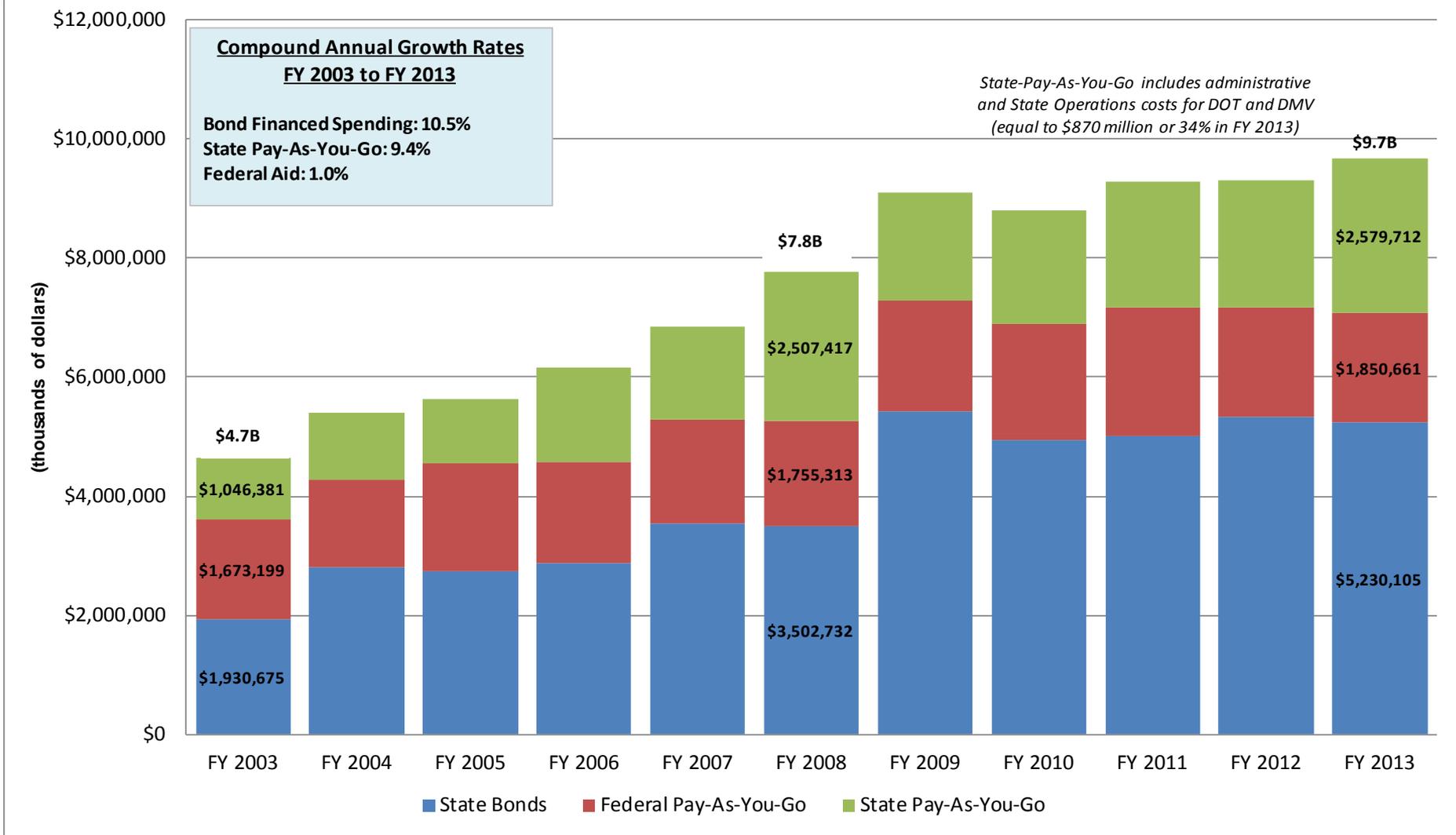
State Capital Spending - Shares By Purpose (All Sources)



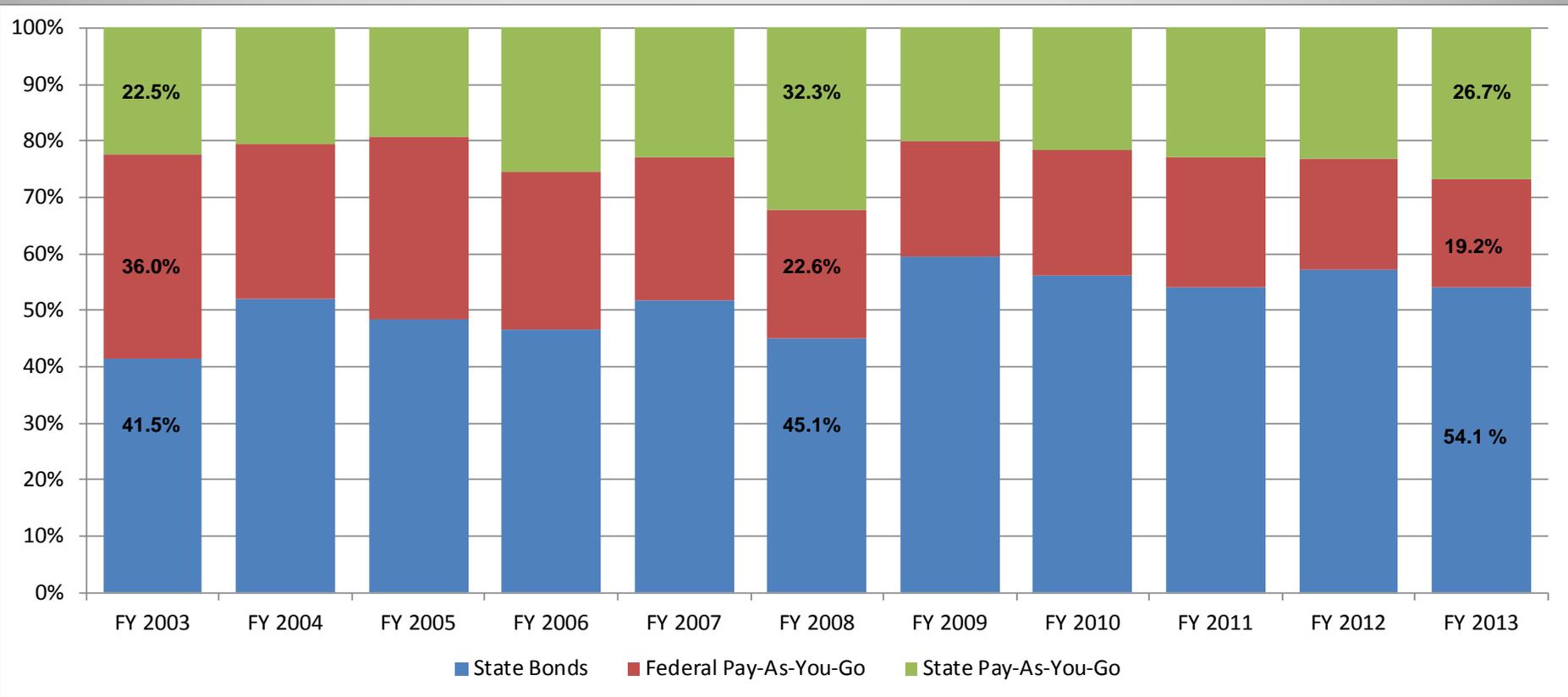
- Transportation's share of capital spending has dropped from 64 percent to 47 percent since FY 2003.
- Higher Education's share of capital spending has increased from 7.8 percent to 21.2 percent.



How It's Paid For: Financing Sources of Capital Spending

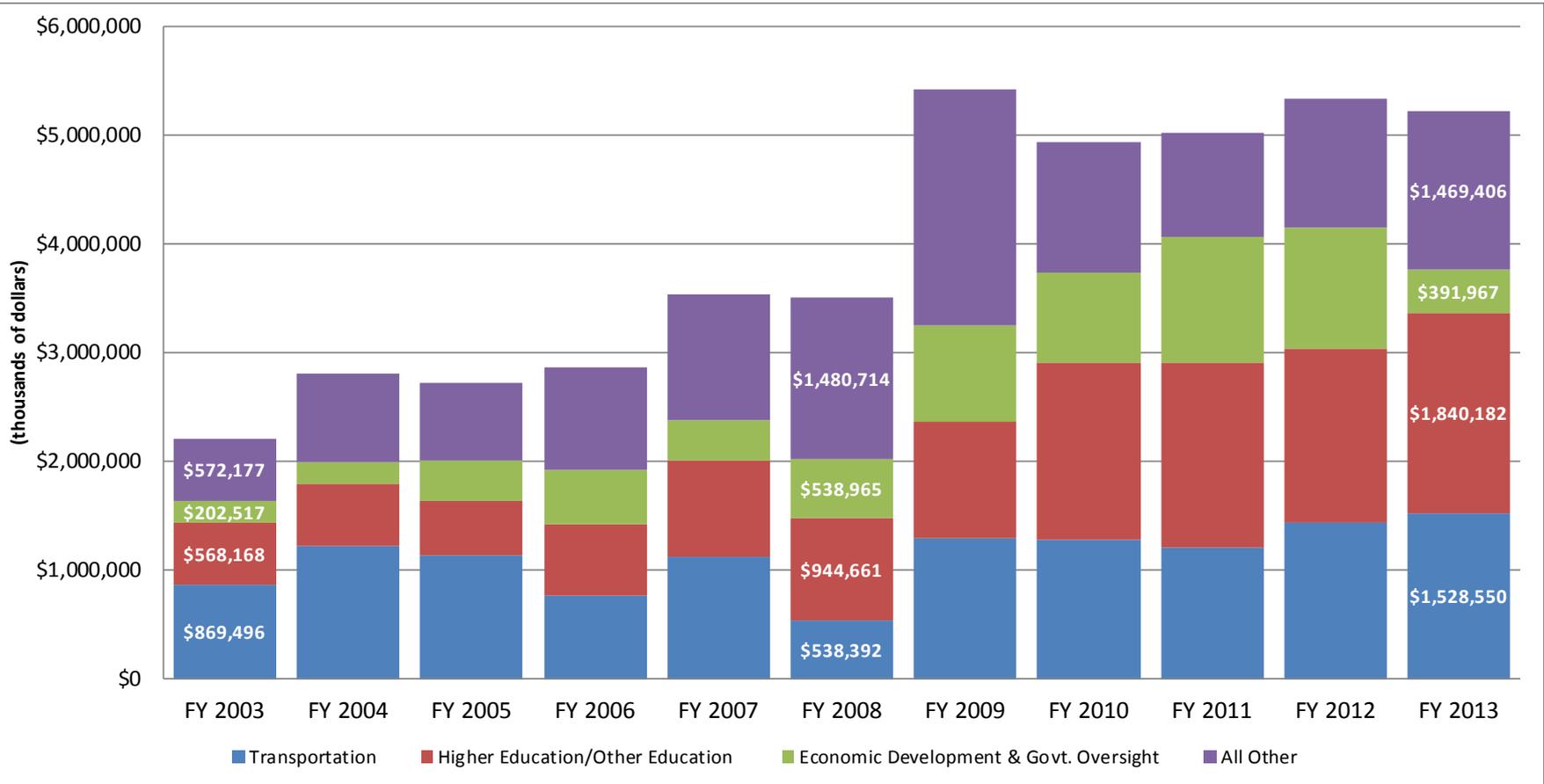


Capital Financing – Shares by Source



- The portion of capital financed with bonds has increased from 42 percent to 54 percent since FY 2003.
- Federal aid has declined as a financing source.

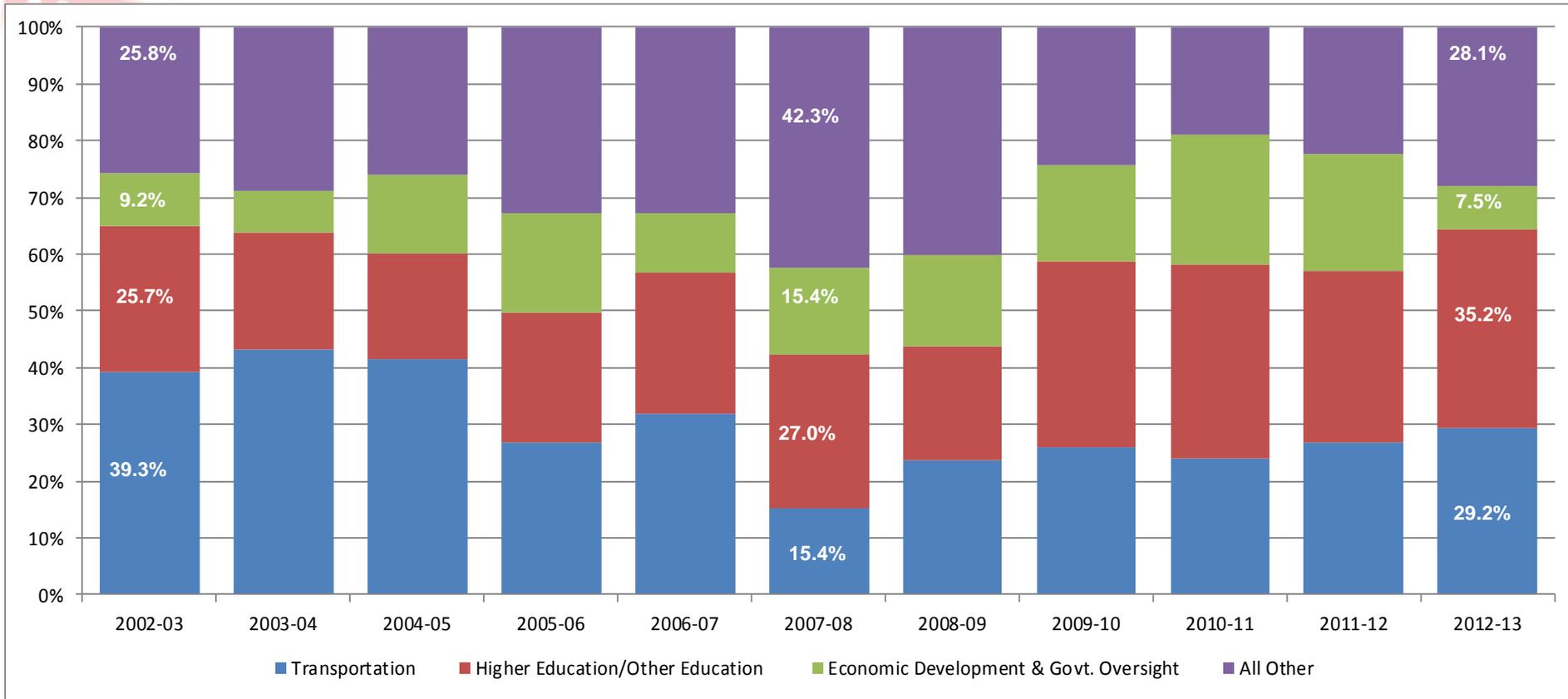
Bond-Financed Capital Spending by Purpose



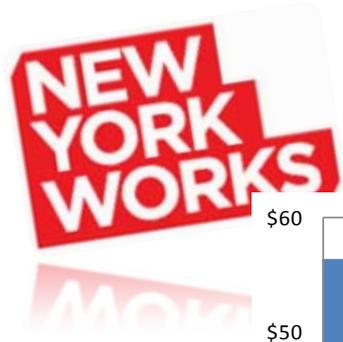
- From FY 2003 through FY 2013, transportation increased by 6 percent annually, from \$869 million to \$1.5 billion.
- Economic Development increased by 7 percent annually, from \$203 million to \$392 million.
- Higher Education increased by 12 percent annually, from \$568 million to \$1.8 billion.
- All other capital increased by 10 percent annually, from \$572 million to \$1.5 billion.



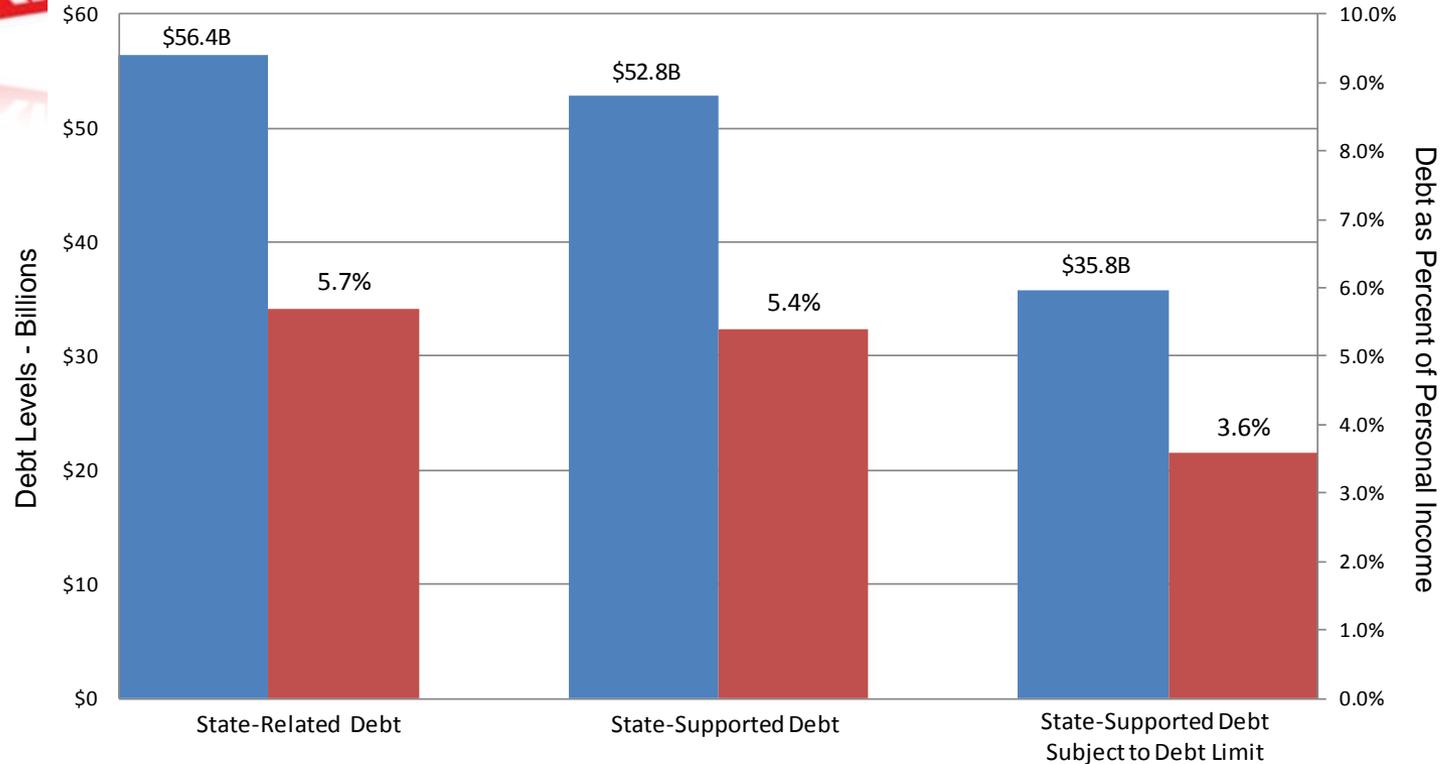
Bond-Financed - Shares by Purpose



- Transportation's share of bond-financed capital declined from 39 percent to 29 percent since FY 2003.
- Higher Education's share of bond-financed capital increased from 26 percent to 35 percent.



State Debt Levels



*As of 3/31/12.

- State-supported debt is paid directly by State resources in the first instance (i.e., GO bonds, PIT bonds, service contract bonds, etc.). It includes G.O. Bonds and debt issued by public authorities on the State’s behalf.
- State-related debt includes State-supported debt plus debt where debt service is paid from non-State resources in the first instance, but where the State is legally obligated to pay if those resources are not sufficient (e.g., “secured” hospital bonds; “tobacco” bonds).
- The debt limit (discussed later) applies only to State-supported debt that was issued from April 1, 2000.

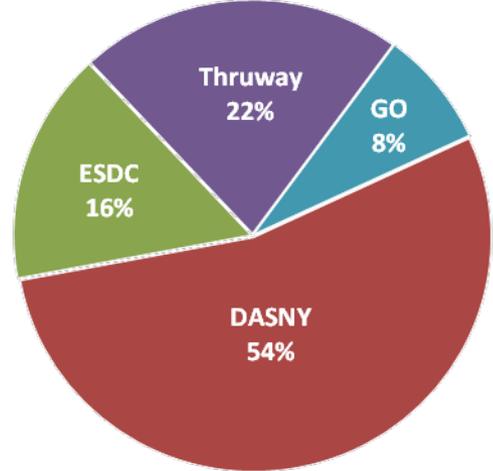


New York Mainly Issues Debt Through Three Authorities

State Has Streamlined Issuance

State Debt Outstanding As of March 31, 2012 (\$ in thousands)	
Current Issuers of State Debt	
DASNY	\$22,288,589
Thruway	11,365,020
ESDC	9,102,348
GO	3,494,365
Prior Issuers of State Debt	
EFC	871,175
HFA	1,048,129
LGAC	3,118,923
MBBA	370,910
MTA	2,005,455
Tobacco	2,689,805
Other State-Related Debt	20,975
Total State-Related Debt:	\$56,375,694

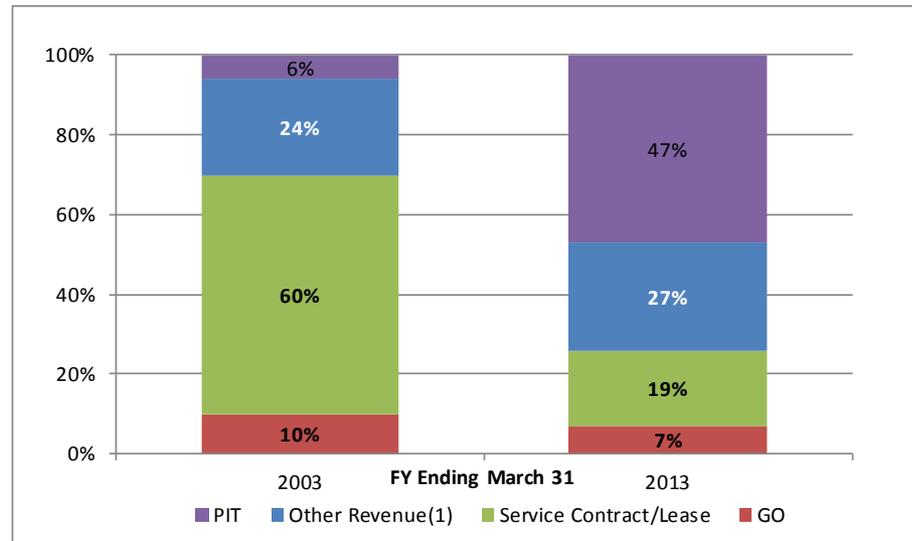
FY 2013 Debt Issuances - \$5.4 billion
(tentative – subject to change)



- In FY 2013, the State will issue bonds through three primary issuers (Dormitory Authority, Empire State Development Corporation, and Thruway Authority).
- The State has simplified its issuance process. State law now permits both the Dormitory Authority and Empire State Development Corporation to issue PIT bonds for any State program.
- Several authorities also issue conduit debt or own-source debt backed by their own revenues (e.g., tolls) to fund programs.
- These conduit and own-source financings are not State-related or supported debt, and are not authorized through the State budget process.

PIT Bonds Are the State's Primary Credit

State-Supported Debt Outstanding by Financing Program



⁽¹⁾ Includes LGAC, SUNY Dorms, Dedicated Highway, MH, and DOH

- The State has consolidated its bonding programs over the past ten years to eliminate lower-rated, less efficient structures (e.g., State appropriation-backed credits with no dedicated revenues).
- Personal Income Tax (PIT) bonds are the least expensive borrowing option (AAA Rated by Standard & Poor's) and the primary credit for new capital.
- During FY 2013, PIT bonds will constitute roughly 68 percent of new bond issuances.
- Further consolidation of credits may make sense.

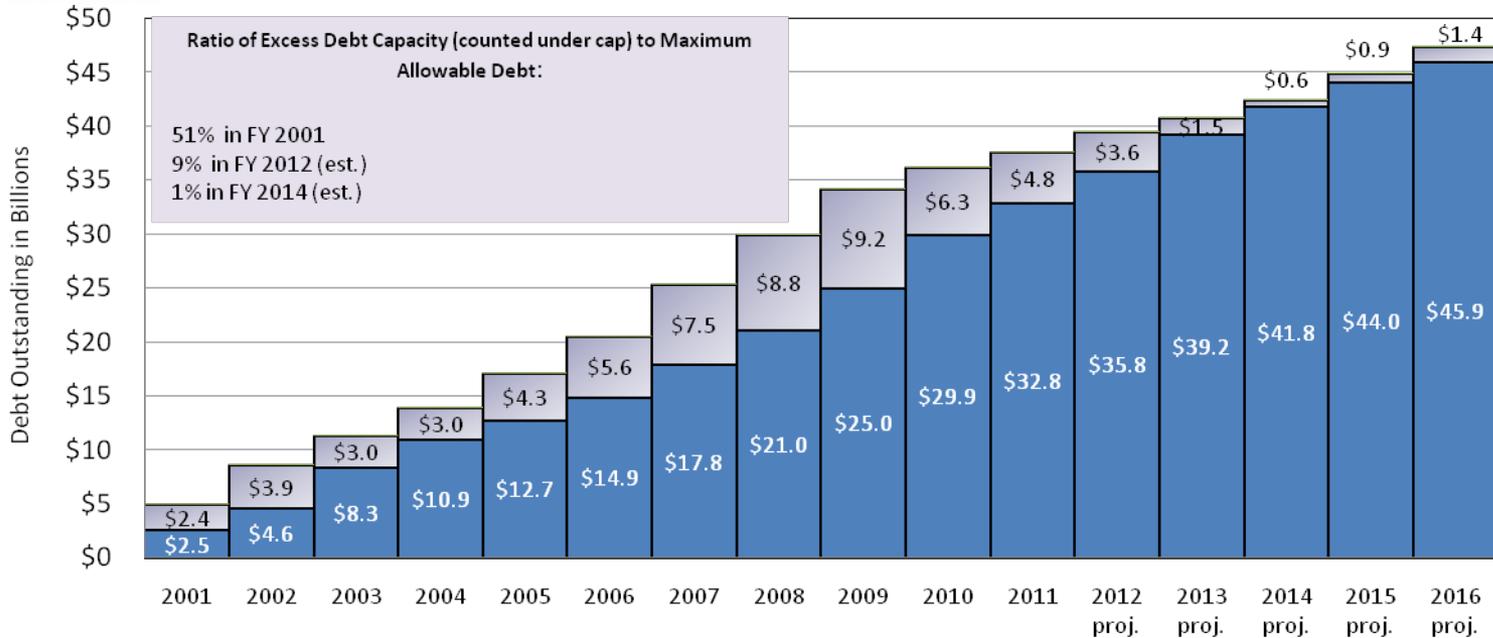


Summary of the State's Debt Limits

- The limits, which are set in statute, cover all State-supported debt issued on or after April 1, 2000.
 - **Debt outstanding** is limited to 4 percent of State personal income.
 - **Debt service** is limited to 5 percent of governmental receipts.
 - Prohibits bonding for non-capital purposes and limits maturities to no more than 30 years.
- Approximately 60 percent of State-related debt is counted under the cap.
- The State annually calculates compliance with the limits in October. The calculation is based on debt outstanding at the end of the prior fiscal year.
- If either limit is exceeded, the State would be prohibited from issuing any new State-supported debt for one year.
- Bonds where the State has a contingent commitment, such as tobacco bonds, are not subject to the limit. The State took advantage of this loophole to issue \$4.2 billion in tobacco bonds.
- Unlike the Federal debt ceiling, the State limit is not expected to be raised periodically, but is instead meant to maintain affordable debt levels.



Debt Limit History and Forecast



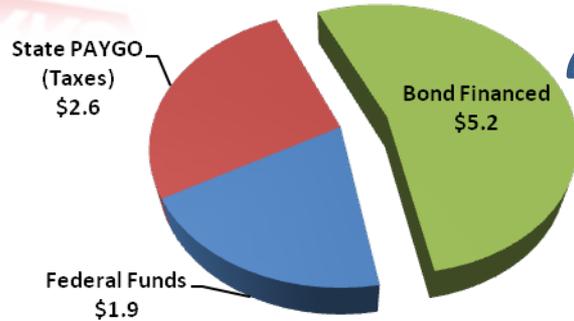
ESTIMATED DEBT OUTSTANDING – SUBJECT TO CAP (millions of dollars)								
Year	Personal Income	% Personal Income Growth	% Personal Cap	Personal Cap \$	Debt Outstanding Since April 1, 2000	\$ Remaining Capacity	Debt as a % of PI	% Remaining Capacity
FY 2012	983,868	4.7%	4.00%	39,355	35,803	3,552	3.64%	0.36%
FY 2013	1,017,103	3.4%	4.00%	40,684	39,192	1,492	3.85%	0.15%
FY 2014	1,061,148	4.3%	4.00%	42,446	41,843	602	3.94%	0.06%
FY 2015	1,122,828	5.8%	4.00%	44,913	44,047	866	3.92%	0.08%
FY 2016	1,183,444	5.4%	4.00%	47,338	45,930	1,408	3.88%	0.12%
FY 2017	1,243,645	5.1%	4.00%	49,746	47,161	2,585	3.79%	0.21%

TOTAL STATE-SUPPORTED (millions of dollars)	
Debt Outstanding Prior to April 1, 2000	Total State-Supported Debt Outstanding
16,969	52,772
15,348	54,540
13,718	55,562
12,126	56,172
10,593	56,523
9,132	56,293



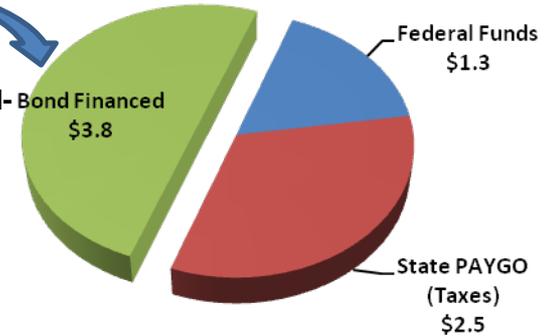
Capital Spending Projections

FY 2013 – Capital Spending (\$9.7 Billion)



FY 2017 – Capital Spending (\$7.6 Billion)

27 Percent Decline in Bond-Financed Capital in Current Plan

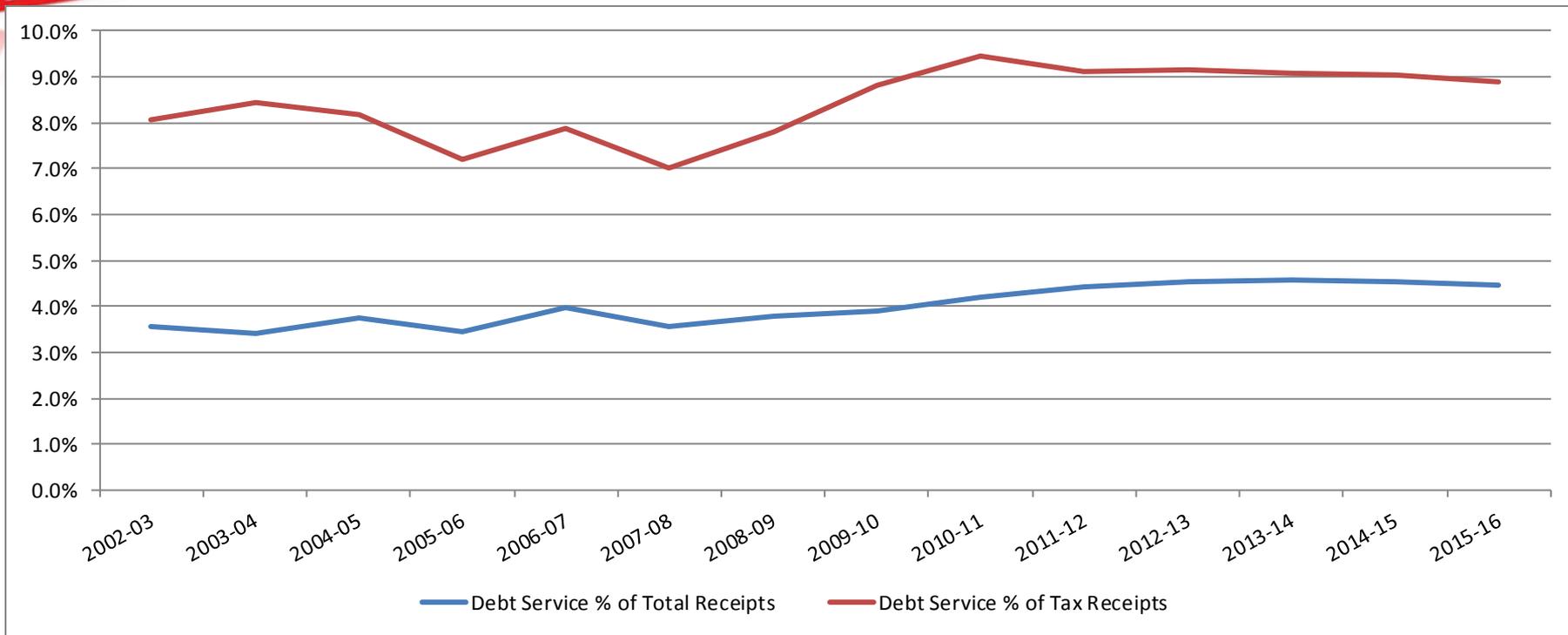


FY 2013 CAPITAL SPENDING BY PROGRAM (thousands of dollars)		
Spending	<u>FY 2013</u>	<u>Percent</u>
Transportation	4,548,554	47.1%
Other Higher Education/Education Programs	2,043,526	21.2%
Economic Development & Gov't. Oversight	649,807	6.7%
Mental Hygiene	551,940	5.7%
Parks and Environment	743,849	7.7%
Health and Social Welfare	523,018	5.4%
Public Protection	334,106	3.5%
Other (Excel, State Office Buildings,)	265,678	2.8%
Total	<u>9,660,478</u>	<u>100%</u>

FY 2017 CAPITAL SPENDING BY PROGRAM (thousands of dollars)		
Spending	<u>FY 2017</u>	<u>Percent</u>
Transportation	4,016,385	-3%
Other Higher Education/Education Programs	1,596,786	-6%
Economic Development & Gov't. Oversight	273,009	-19%
Mental Hygiene	672,252	5%
Parks and Environment	438,080	-12%
Health and Social Welfare	139,264	-28%
Public Protection	318,436	-1%
Education-EXCEL School Construction	0	-100%
Other (State Office Buildings)	109,883	-19%
Total	<u>7,564,095</u>	<u>-183%</u>



Debt Service Share of on State Operating Budget



- Debt service as a percent of tax receipts is expected to remain in the 9 percent range over plan period.
- Several factors contributed to the increase in debt service as a percent of tax receipts since the mid-2000s:
 - Recession resulted in a drop in State tax receipts.
 - Increases in bonded capital spending and \$2 billion debt restructuring in 2005 lead to significant increases in debt service costs. Over the three year period, debt service costs increased from \$4.1 billion in FY 2008 to \$5.6 billion in FY 2011, an increase of 37 percent.



Conclusion

- New York State spends a lot on capital activities. Capital has grown faster than most other parts of the budget over the past decade, increasing at over 8 percent annually.
- The allocation of capital resources has traditionally been done in “silos” without reference to statewide needs, priorities, or ability to pay. This has led to a rapid increase in capital investment in some areas, while leaving other areas potentially underfunded.
- At the same time, the run-up in capital spending has eroded capacity under the State’s debt cap.
- Therefore, the State must reform its capital allocation practices to ensure that it can meet its infrastructure needs while abiding by the limits on debt affordability.
- Governor Cuomo has taken decisive action to begin to address the deficiencies in capital planning (e.g., regional councils, NY Works).

The logo for 'NEW YORK WORKS' is displayed in a bold, white, sans-serif font. The text is arranged in three stacked lines: 'NEW' on the top line, 'YORK' on the middle line, and 'WORKS' on the bottom line. The letters are set against a red background that is shaped like a stylized map of New York State, with the top corners of the letters being clipped to match the state's outline.

*Irene Baker, Executive vice President and State Wide director of the
Regional Economic Development Council*

NYS Regional Economic Development Councils



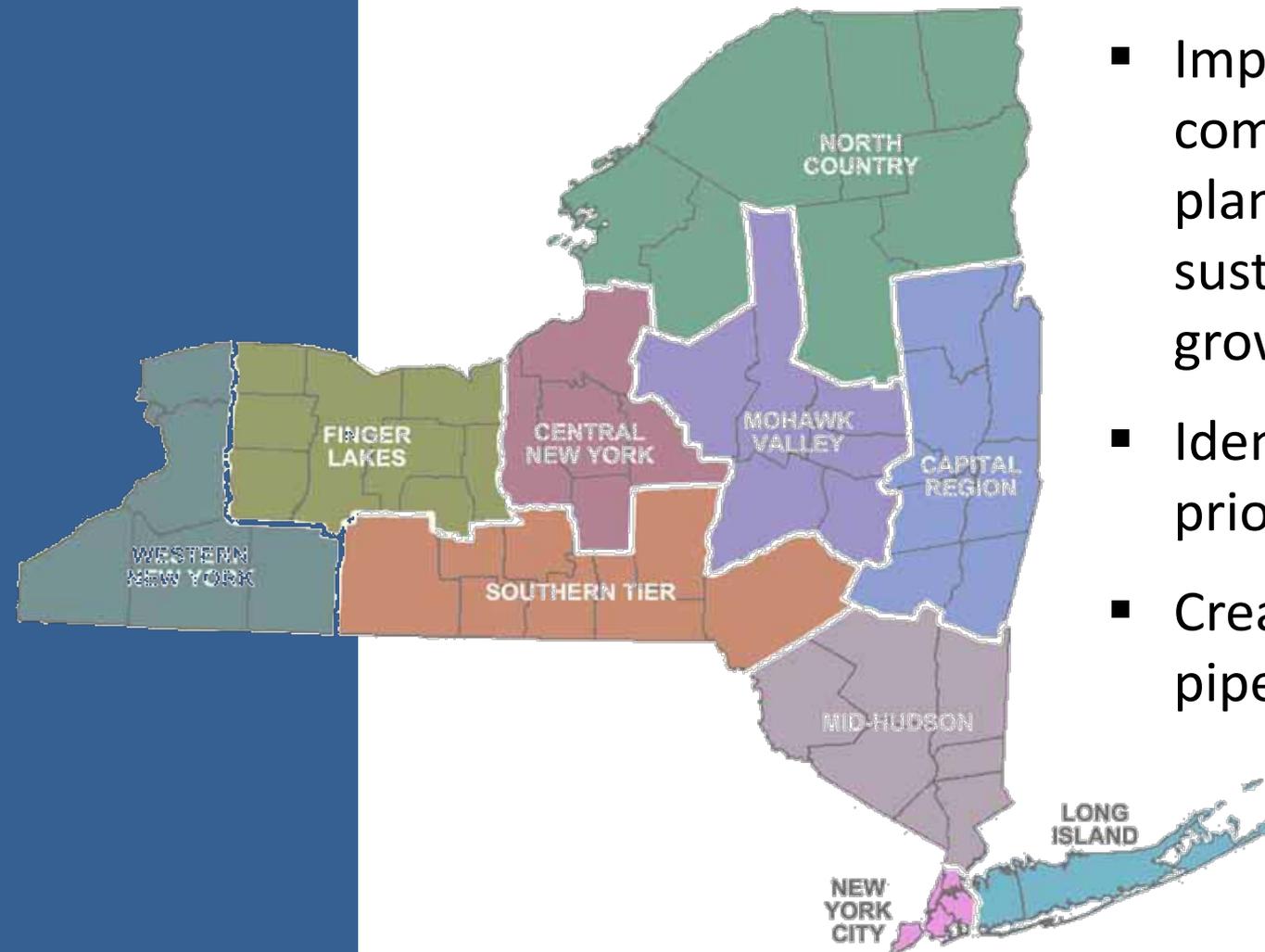
NY Works

Task Force Meeting

June 4, 2012



Regional Economic Development Councils

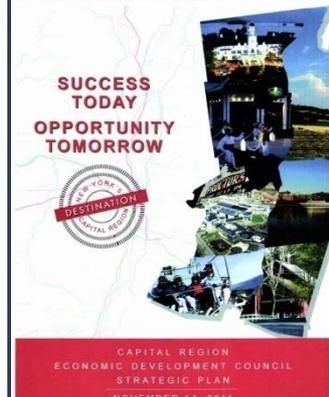
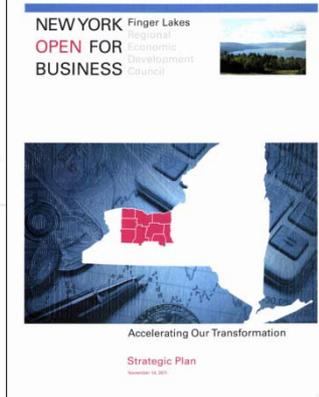
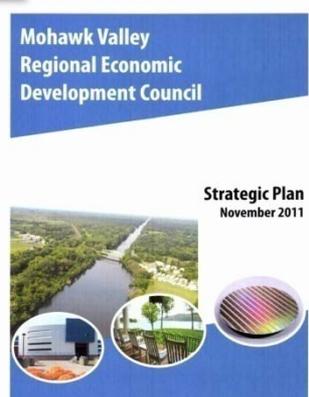
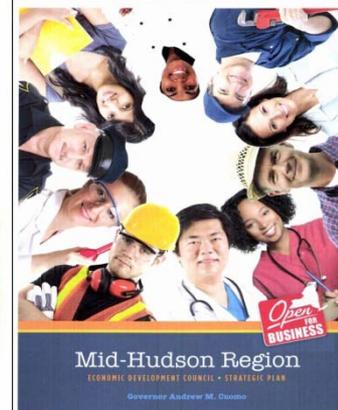
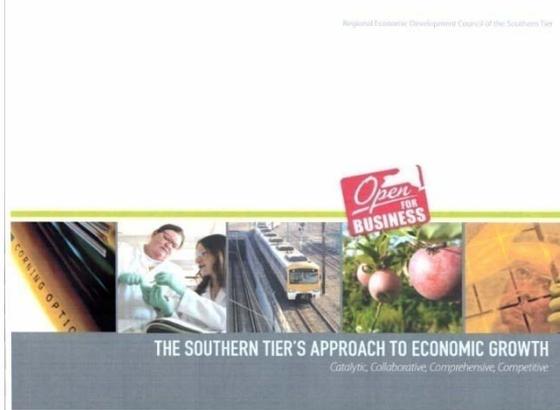
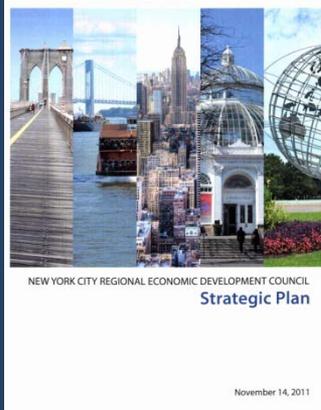
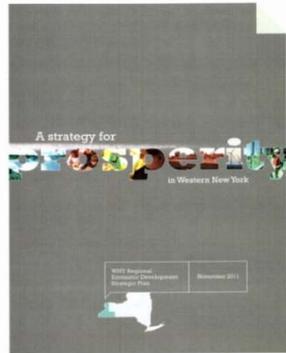


- Implement community-driven plans for long-term sustainable economic growth
- Identify regional priorities
- Create project pipelines



2011 Focus: Develop Regional Strategic Plans

Regional Councils competed for State resources through the creation of regional strategic plans



Consolidated Funding Application

The screenshot shows the top of the registration form with the 'Open BUSINESS' logo and navigation links for Home, Help, and Print Page. The form title is 'NYS Consolidated Funding Application Registration'. It includes fields for Email Address, Organization Name, and Project Alias Name, each with a 'Check' button. A 'REGISTER NOW' button is at the bottom.

Streamlined approach to funding requests



This is an identical screenshot of the registration form as shown in the first block, featuring the 'Open BUSINESS' logo, navigation links, and registration fields.

Multiple agency programs



This is an identical screenshot of the registration form as shown in the previous blocks, displaying the 'Open BUSINESS' logo and the registration form fields.

Single application per project





Available CFA Resources

<https://apps.cio.ny.gov/apps/cfa/>

Round 1 Agency Participants

- Homes & Community Renewal (HCR)
- Department of State (DOS)
- NYS Canal Corporation
- Empire State Development (ESD)
- New York State Energy Research and Development Authority (NYSERDA)
- New York Power Authority (NYPA)
- Environmental Facilities Corporation (EFC)
- Office of Parks, Recreation and Historic Preservation (OPRHP)
- Department of Transportation (DOT)
- Department of Labor (DOL)

**Resources Available for Regional Councils
Beginning in 2011-12**



Available Funding

NYWorks.ny.gov

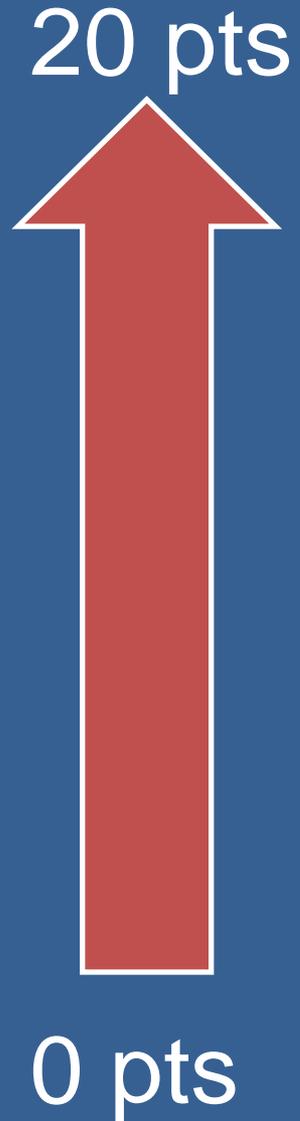
NYS Consolidated Funding Application

Agency	Total grants, tax credits & other resources* (in millions)
Empire State Development	\$ 270
NYSERDA	\$ 175
HCR	\$ 169
Department of Transportation	\$ 50
Environmental Facilities Corp.	\$ 20
Parks, Recreation and Historic Preservation	\$ 13
Department of State	\$ 10
Department of Labor	\$ 3
NYS Canal Corporation	\$ 1.5
Private Activity Bond Cap	\$ 350
<i>Potential Resources Available</i>	<i>\$1Billion+</i>

Additional Resources Available:

Recharge NY	910 Mega Watts
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Regional Council Priorities



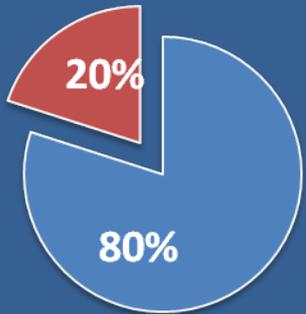
- Regional Strategic Plans identify projects, actions & policies needed to implement strategies
- Transformative projects central to achieving the region's vision will rank the highest
- CFAs that support transformative projects will receive the highest endorsement scores

Regional Councils and CFAs

- **Develop Endorsement Standards**
- **Evaluate all CFAs submitted**
- **Assign Endorsement Score (0 – 20 points)**

STANDARD	WEIGHT	MAXIMUM POINTS
VISION Advances the regional economic development vision	5%	1
PROCESS Has significant community and stakeholder support	10%	2
STRATEGIES Identified in and/or advances a strategy that is part of the Strategic Plan	35%	7
IMPLEMENTATION Project is of significant importance to advancing the implementation agenda	15%	3
LEVERAGE RESOURCES Leverages other public, private and non-profit funding sources	15%	3
PERFORMANCE MEASURES If funded, results can be monitored and evaluated against the Regional Council's performance measures	20%	4

**Endorsement
Score**



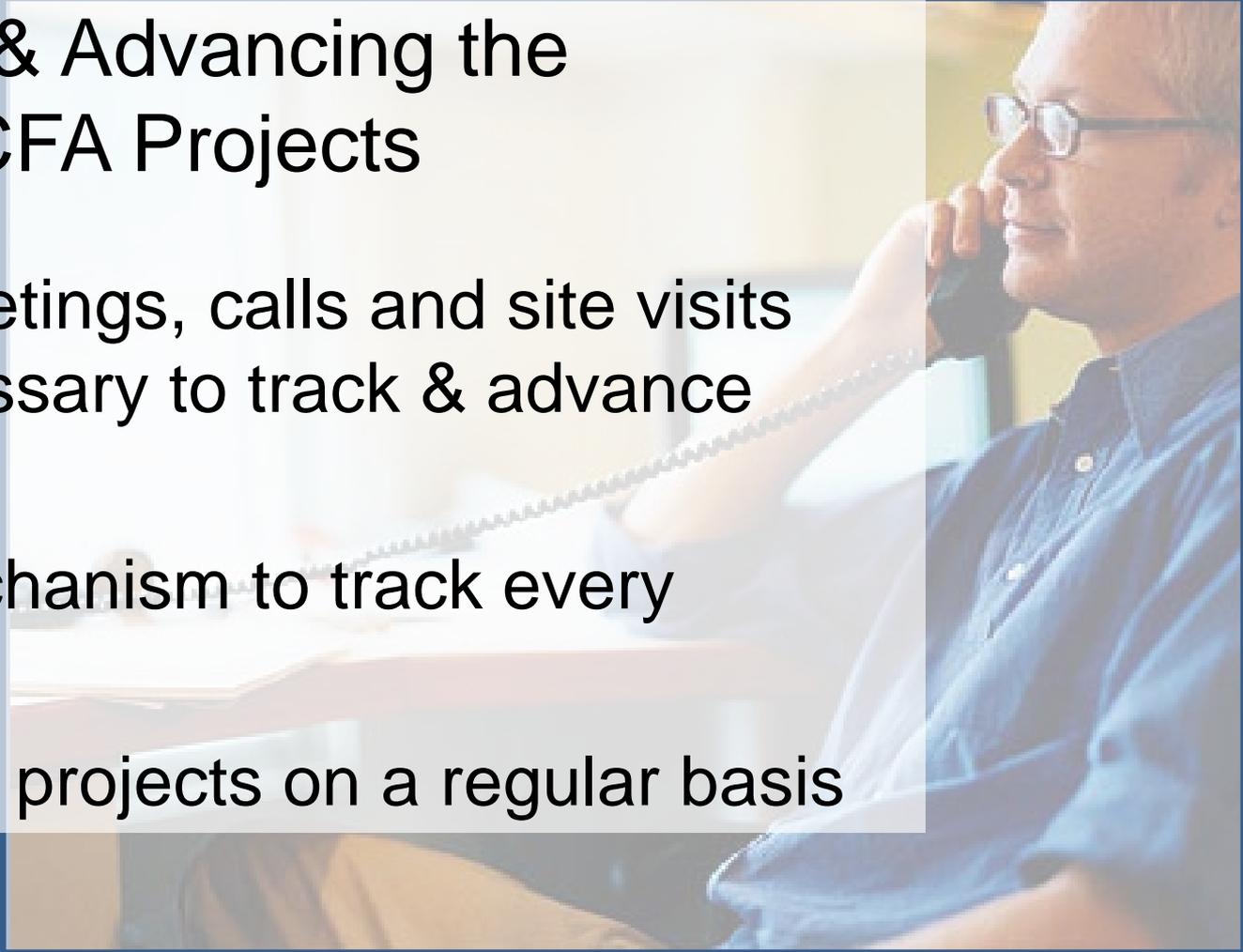
**Agency
Technical
Score**



Project Tracking

Regional Directors & State Agencies are Tracking & Advancing the Progress of CFA Projects

- Regular meetings, calls and site visits where necessary to track & advance progress
- Internal mechanism to track every project
- Re-evaluate projects on a regular basis





2012 CFA

- **\$150 million in Capital Funding from the NY Works Initiative**
- **\$ 70 million in Tax Credits from the Excelsior Jobs Program**



“It has worked so well that we want to keep it going; we want to launch a second round of competition for an additional \$200 million. There’s great momentum especially in upstate New York, so let’s authorize a second round and grow that momentum even stronger.”

*Governor Andrew M. Cuomo
State of the State Address
January 5, 2012*



Additional CFA Resources

\$530 million will also be available from

- 12 state agencies
- 27 programs + Recharge NY

CFA Schedule

Release of CFA – May 3

Application Deadline – July 16

Scores Due – August 27

Awards Made – September/October

Available Resources for Regional Councils in 2012



NYS Consolidated Funding Application

Total grants, tax credits &
other resources*
(in millions)

Direct Assistance to Businesses	up to \$247
Empire State Development	
Community Development	up to \$61.2
Homes and Community Renewal	
Office of Parks, Recreation and Historic Preservation	
Council on the Arts	
Agricultural Economic Development	up to \$3
Agriculture and Markets	
Waterfront Revitalization	up to \$16
Department of State	
Canal Corporation	
Environmental Improvements	up to \$3+
Environmental Facilities Corporation	
Empire State Development	
Department of Environmental Conservation	
Energy Improvements	up to \$50
Energy Research and Development Authority	
New York Power Authority	
Sustainability	up to \$12
Energy Research and Development Authority	
Workforce Development	up to \$5
Department of Labor	
Low-Cost Financing	up to \$350
Potential Resources Available	up to \$750 million

Available Funding

NYWorks.ny.gov



2012 Regional Council Focus: Implementation of Plans

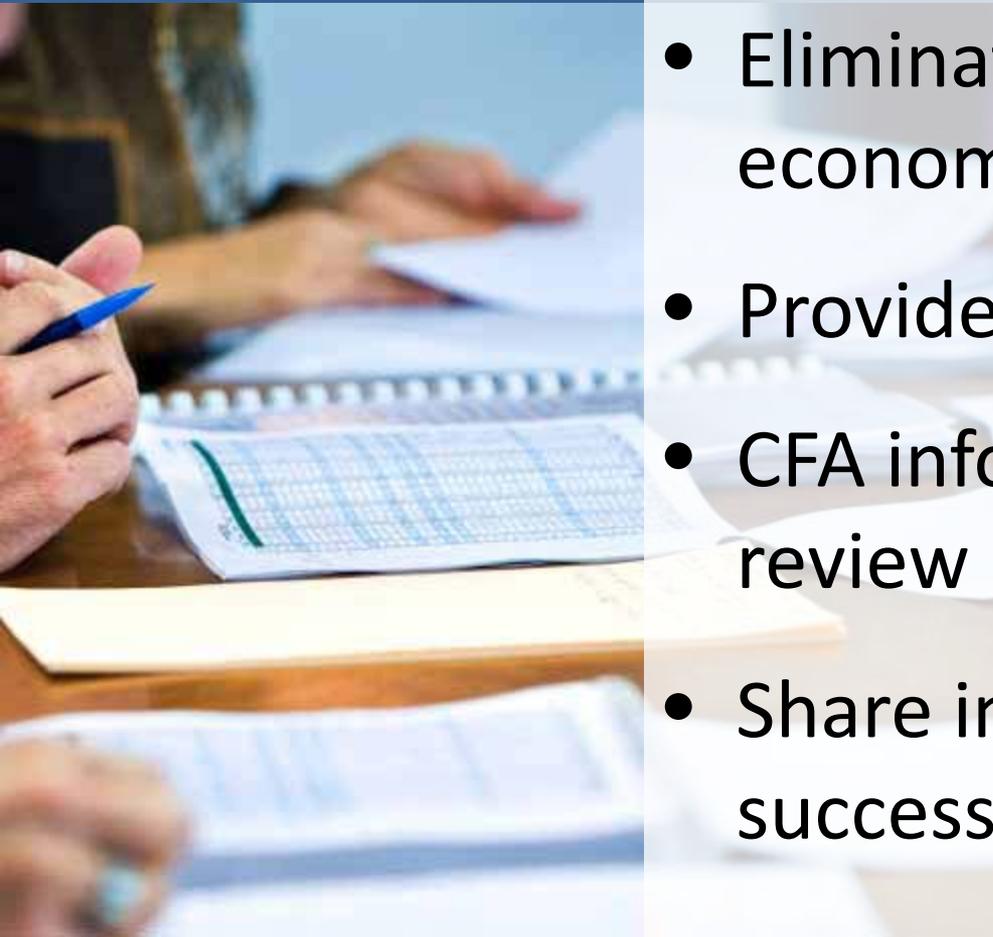
- **Establish a Framework to Advance Plans**
- **Implement the Strategies**
- **Create a Project Pipeline**
- **Evaluate Projects**
- **Report on Progress**





State Agency Assistance

- Align State programs with Regional Council priorities
- Eliminate impediments to economic growth
- Provide technical assistance
- CFA information, assistance & review
- Share information to replicate success





Patrick J. Foye, Executive Director of the Port Authority of New York and New Jersey

Port Authority Capital Planning

***NY Works:
Overview of the Preliminary Port
Authority 10-Year Capital Plan and
Current Reform Initiatives***



June 2012



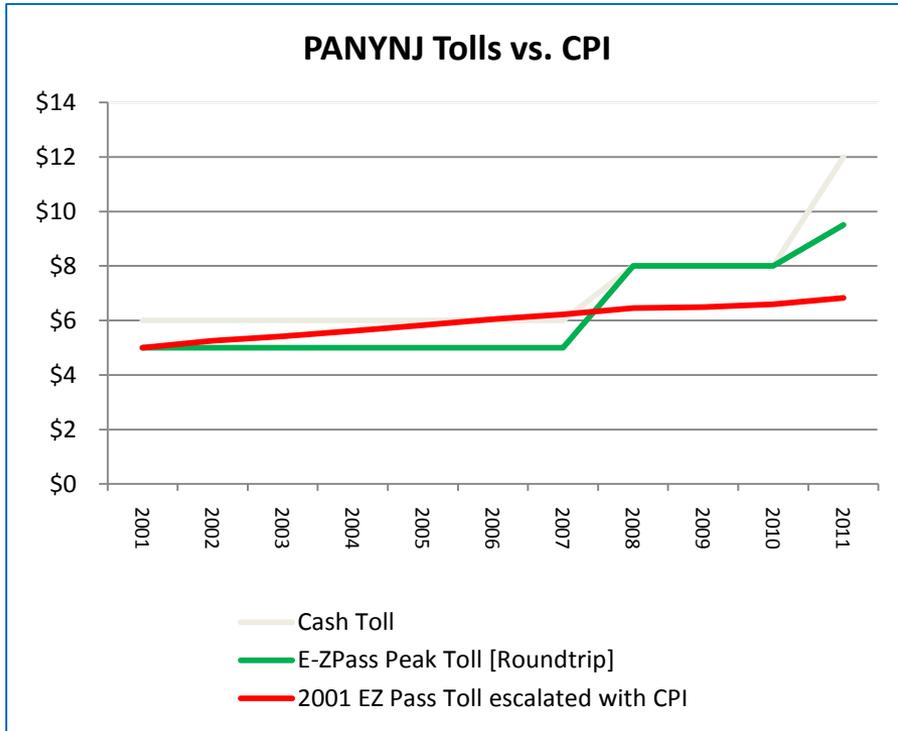
Backdrop

- The Great Recession and unacceptable levels of unemployment in the region
- New York Building Congress 1st Qtr Report on Construction Employment states that employment in the NYC construction industry fell to its lowest level since 1999
 - Construction employment was down 3% from the 1st Qtr of 2011 in NYC
- Billions of dollars of infrastructure investment required in the State and region
- Port Authority doesn't itself have resources to make all required investment so private capital must be explored and priorities selected
- Port Authority a solid credit but is significantly more leveraged than 10 years ago. Ratings: S&P: AA- (Stable), Moody's: Aa2 (Negative), Fitch: AA- (Stable)
- Tolls have increased significantly in excess of CPI and growth in Median Family Income over last 10 years
- Burden on Stated Island commuters
- Direction from Governor Cuomo to Reform, Rationalize, and Repair
- State Level Reform: Design/Build (December 2011); TIF Reform (April 2012); NY Works (April 2012)

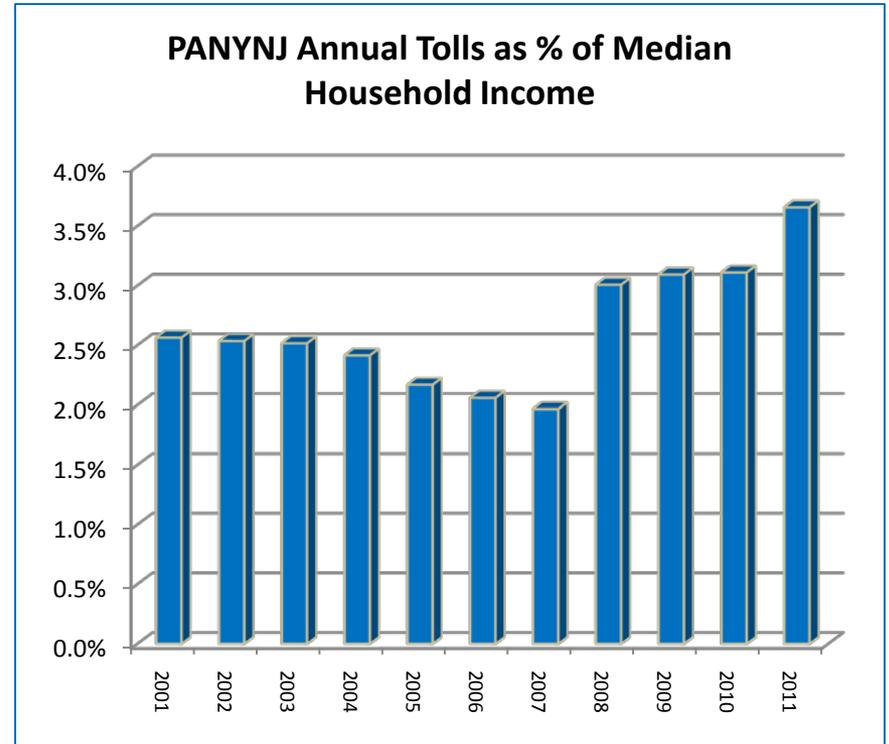


Backdrop: Toll and Fare Growth in Excess of CPI

- Tolls & fares have reached a ceiling in this low-growth economic environment
- Tolls & fares have grown at a rate in excess of CPI and Median Household Income**



PA toll increases during the past decade have outpaced inflation significantly



Tolls for PA daily commuters have increased by 50% as a percentage of median household income



Backdrop: High Debt Load

- The Port Authority's Balance Sheet limits resources for projects and requires disciplined choices
- By end of 2012, Port Authority will have approximately \$19B of total debt and liabilities outstanding

As of December 31, 2011

Assets	
Facilities, net	\$23,870
Other	\$6,343
Cash and Investments	\$3,883
Total	\$34,234
Liabilities	
Bonds and other asset financing obligations	\$16,634
Other	\$5,224
Total	\$21,858

Dollars in millions; 2012 Preliminary Budget



Key Agency Initiatives and Reforms

- New leadership is focused on a return to core mission for the agency
 - Focus on Transportation Infrastructure
 - Significant increase in WTC financial and operating controls
 - World Trade Center Peace Dividend
 - Changes in Senior Leadership
- Agency has implemented reforms over the past six months
 - Navigant Phase 1 Report: Top to Bottom Management Review
 - Focus on Capital Plan Initiatives: PPPs, Permitting
 - Compensation and Benefits Reform: reduction in costs of \$41 million over 18 months; tens of millions in recurring savings annually
 - Control of Soft Costs and Consultant Costs
 - FOIA Reforms to Increase Transparency: 30,000 documents released
 - Review Non-Core Assets for Sale: Essex County Resource Center, Teleport, Newark Legal Center, Industrial Parks in both States; Agreement reached to dispose of interest in Essex County Resource Center
 - Formation of Standalone Security Department: Centralization of this Core Function
 - Reform of the Port Authority Police Department
 - Sustainability Initiatives: WTC LEED Gold Certification; Truck Replacement Program at the Ports; Zero Emissions Goal at Stewart; New Fuel System at the Airports



2011-2020 Preliminary Capital Spending by Year (\$ in millions)

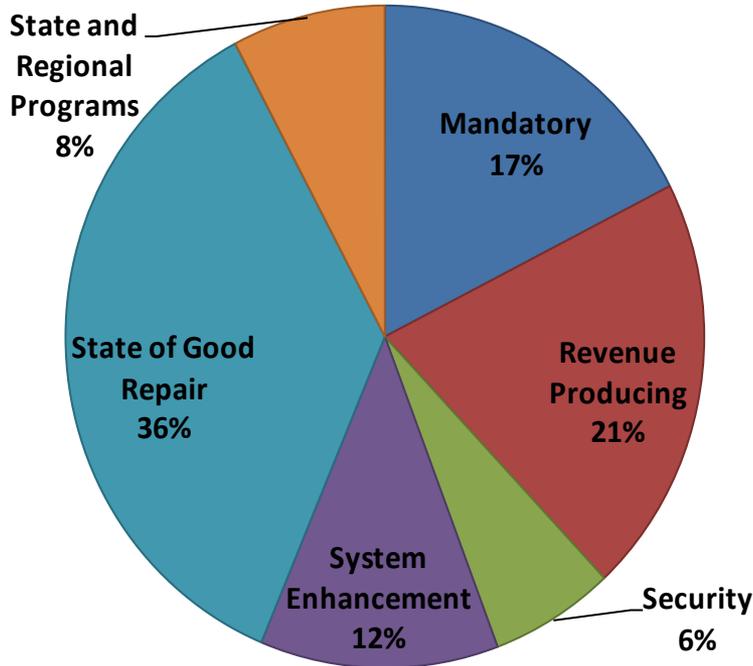
- The Board authorized the first year of the \$25.1B ten-year Capital Plan in December 2011. 62% of spending occurs in the next 5 years.

The Port Authority of New York and New Jersey
\$25.1B Capital Spending - 2011-2020
(\$ in millions)

	Count	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2020
Line Departments:												
Aviation	422	\$ 306	\$ 452	\$ 1,103	\$ 1,396	\$ 853	\$ 571	\$ 601	\$ 489	\$ 291	\$ 449	\$ 6,511
PATH	129	403	351	327	289	299	375	357	278	257	121	3,057
Port Commerce	101	186	346	301	177	157	113	126	113	83	87	1,688
TB&T	232	188	626	756	923	945	1,023	713	574	459	506	6,713
Line Departments Total	884	1,082	1,775	2,486	2,784	2,254	2,082	1,797	1,455	1,090	1,162	17,968
Regional and Development	16	54	123	178	168	166	133	116	16	16	12	982
Capital Infrastructure Fund	1	30	-	-	-	-	85	220	220	220	217	992
World Trade Center*	22	1,944	2,001	1,445	1,342	101	50	17	2	-	-	6,902
Provision for Efficiency & Phasing		-	(246)	(444)	(494)	(192)	(162)	(133)	(104)	-	-	(1,775)
Agency Total	923	\$ 3,110	\$ 3,653	\$ 3,665	\$ 3,800	\$ 2,329	\$ 2,188	\$ 2,018	\$ 1,590	\$ 1,326	\$ 1,391	\$ 25,070



2011-2020 Preliminary Spending by Category (\$ in thousands) - \$25.1 Billion



- Significant portion of the Capital Plan addresses SGR, with 36% of funds going to those projects; only 21% of projects yield a financial return to the agency.

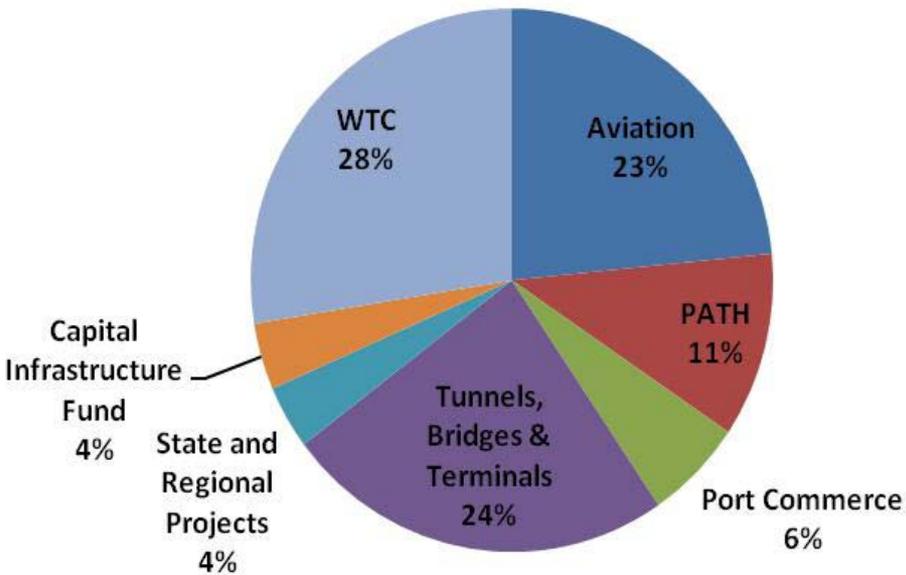
- **REVENUE PRODUCING:** Projects which yield a positive financial return to the Port Authority (e.g. JFK TWA Flight Center Renovation)
- **STATE OF GOOD REPAIR:** Necessary to maintain the continued functioning of Port Authority assets (e.g. GWB Suspender Ropes Project)
- **MANDATORY:** Required by law, governmental rule or regulation (e.g. JFK Runway 13L Runway Safety Area Improvements)
- **SECURITY:** Projects that are necessary to meet the Agency's Security Plan (e.g. Bollard Projects)
- **SYSTEM ENHANCEMENT:** Projects that provide system enhancements, improved customer service levels, and/or regional benefits (e. g. PATH Railcars)
- **STATE AND REGIONAL:** Projects which advance the objectives of the Port Authority but unlike other projects, are not operated by the Port Authority



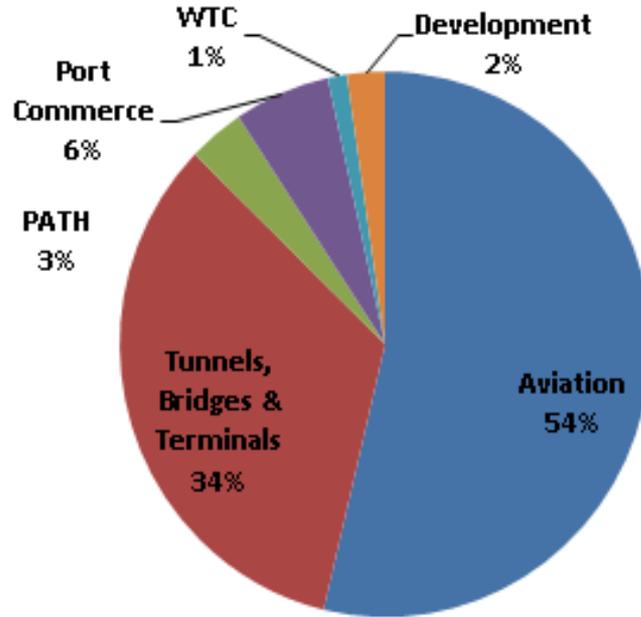
2011-2020 Preliminary Spending by Line Department (\$ in thousands) - \$25.1 Billion

- While Aviation and Tunnels, Bridges and Terminal (TB&T) Departments have approximately equal shares of capital investment over the next ten years, Aviation is expected to contribute 54% of gross operating revenues in 2012 and TB&T, 34%.

Capital Spending By Line Department

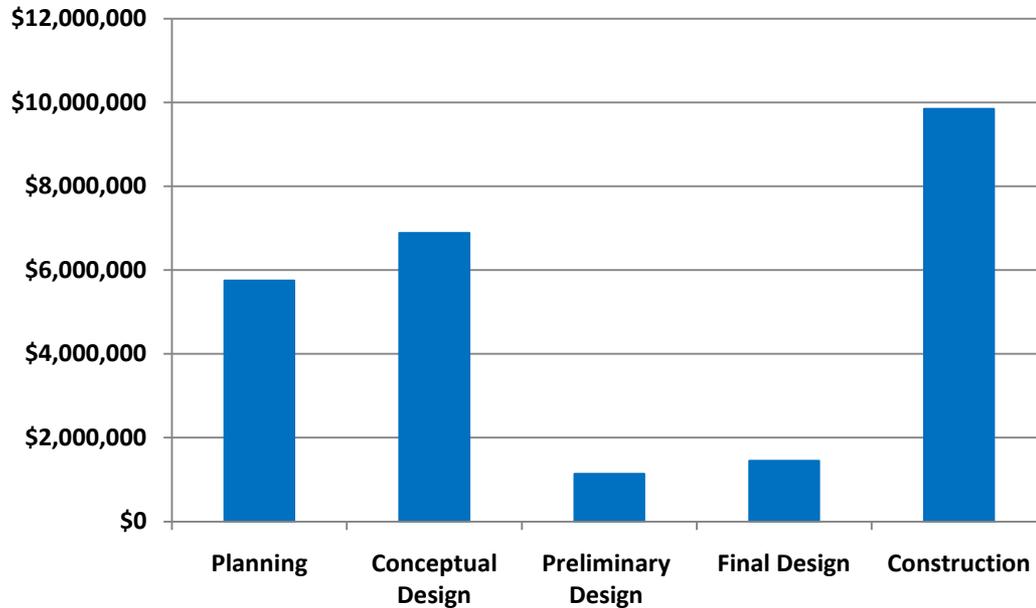


2012 Revenues By Line Department





2011-2020 Preliminary Spending by Stage (\$ in thousands) - \$25.1 Billion



- The largest category of spending is on projects already in the construction phase.

- **CONSTRUCTION:** Begin construction and monitor schedule/cost, Certify Completed Construction
- **FINAL DESIGN:** Finalization of Contract Documents, Procurement Process
- **PRELIMINARY DESIGN:** Continue Design, Value Engineering
- **CONCEPTUAL DESIGN:** Project Scope Definition, Order of Magnitude Estimates and Preliminary Schedules
- **PLANNING:** Identify needs, assess feasibility



2011-2020 Prelim. Capital Spending – Major Projects (\$ in millions)

	2011-2020	TPC
Major Projects:		
Lincoln Tunnel Access Projects	\$ 1,800	\$ 1,800
Lincoln Tunnel Helix Replacement (Not Rehab)	139	1,497
LGA CTB Terminal*	1,080	1,358
Bayonne Bridge Navigational Clearance	1,278	1,281
GWB Suspender Rope Replacement	544	1,037
Newark Liberty Terminal A*	817	839
PATH Signal Replacement Program	498	498
JFK Rehabilitation of Runway 4L-22R	463	463
Goethals Bridge Modernization**	294	350
PATH Tunnel Mitigation	254	254
JFK Delta T3/T4 Development	215	215
LGA Runway 4 and 31 Safety Deck Overrun	179	179
Major Projects Total	\$ 7,382	\$ 9,591

*Does not include full funding for build out of LaGuardia CTB and Newark Liberty Terminal A Modernization Programs, which are expected to be privately financed via PPP.

** \$296 million for the Goethals Bridge is for real estate acquisition and advisory/other services. Remainder is expected to be privately financed via a PPP.



Major Project Highlights

LAGUARDIA CTB REDEVELOPMENT

- Redevelopment to meet projected traffic demand of 17 million annual passengers. Central electrical substation on fast track for construction in 2012. Capital Plan only funds \$1.3B of the total estimated \$3.6B cost.
- Estimated time frame 2017-2021
- Jobs: over 3,000 construction jobs



GEORGE WASHINGTON BRIDGE SUSPENDER ROPES

- Project will replace all 592 suspender ropes and includes rehabilitation of main cable, handrails, necklace lighting, security enhancements and upper level sidewalks.
- Estimated time frame 2014-2022
- Jobs: 3,600 construction jobs





Major Project Highlights

GOETHALS BRIDGE MODERNIZATION

- Replacement of the functionally obsolete bridge with a six-lane bridge. Capital Plan only funds legal, real estate, and engineering resources. The agency is pursuing a Private Public Partnership for this \$1.5B project.
- Estimated time frame: 2013-2018
- Jobs: 2,258 construction jobs



BAYONNE BRIDGE

NAVIGATIONAL CLEARANCE

- \$1.2 B project to raise the bridge roadway from existing 151 feet to 215 feet to provide navigational clearance for larger containerships as a result of the Panama Canal Expansion.
- Estimated time frame: 2013-2016
 - Jobs: 2,800 construction jobs
 - Under TB&T but a Port initiative



Today

Future



Overall Capital Program Initiatives

- World Trade Center peace dividend and renewing agency focus on better and speedy delivery of capital projects
- Navigant Phase I Report on the Capital Program
- More focused Contract Administration
- Focusing on eliminating or reducing soft costs (design, staff and overhead costs) with a goal of reducing 25% through internal controls. Current average soft costs at the agency range anywhere from 25% to 50%, including capitalized interest.
- Participating in federal initiatives to improve the environmental permitting process. The Port Authority was the first in the country to request the Bayonne Bridge project be on the list for project of national significance, which aims to prioritize federal permitting for these projects.
- Seeking greater participation in Public Private Partnerships where it fits. Actively pursuing PPP for Goethals Bridge Replacement. Strong response to Request for Information (RFI) for LaGuardia CTB Redevelopment.



Delivering Major Projects On Time and On Budget

- Centralized Capital Program Office to enhance accountability and ensure best practices
- Establishment of Baselines
- Milestone management with executive reporting on red flags (CPOC)
- Phased Integrated Capital Management System roll-out to increase data integrity
- Quality Assurance/Quality Control
- Risk Assessments on all major projects and development of risk mitigation plans
- Potential contractual incentives for certain elements of major projects

Conclusion