4 Ways Albany Can Support Transportation Infrastructure in 2018

New York's aging transportation infrastructure needs $100 billion+ in modernization, service improvements and expansion. Some of the funding must come from Washington, which is signaling that states should be prepared to come up with a public-private match, as well as cost reductions and elimination of legal and regulatory barriers. New York needs to act now if it hopes to compete successfully for federal funding and to deliver critical infrastructure projects in a timely and cost-effective manner.

Support Congestion Pricing

The cost of excess traffic congestion in the metropolitan region is $20 billion a year—up 53 percent in just a decade. High-growth urban centers around the world are using congestion pricing to manage traffic, reduce pollution and improve livability. A congestion pricing zone in Manhattan, along with new charges on for-hire vehicles that operate in the zone, would generate a sustainable revenue stream to fund mass transit.

What's Possible?

- Estimated net annual revenue of **$1.1 billion** for transit improvements.
- **14 percent reduction** in congestion and significant increase in driving speeds across the region.

Authorize Design-Build for NYC

New York is lagging behind the 41 states that fully embrace a streamlined method of public procurement and contracting that saves time and money through a single bid process known as design-build. New York needs to update its procurement and contracting process and experience proves that design-build is the way to do it. Labor, trade and business groups in New York City back design-build. The legislature should give all state and city agencies this important, cost-saving option for design and contracting of major capital projects.

What's Possible?

- Design-build could cut **$100 million+** and up to two years of construction time off the cost of rebuilding a critical portion of the Brooklyn-Queens Expressway.

Encourage Public-Private Partnerships (P3s)

Three quarters of states authorize P3s to construct and finance public infrastructure, transferring risk and obligations to a private partner who is incentivized to deliver a project on time and on budget. Once built, these projects can be operated by public or private owner-operators, depending on what works best.

What's Possible?

- P3s can typically save as much as **25 percent** of project costs.
- Two-thirds of LaGuardia Airport's transformation is being privately funded at a projected savings of about **$400 million**, as well as transferring delivery and cost risk to private parties.

Authorize the MTA to Capture Value Created by Transit Improvements

The MTA is not set up to secure any revenues from the economic development activity and increased real estate values generated by major transportation projects. Governor Cuomo's budget would allow the MTA, working with local government and private developers, to share in the incremental increase in real estate taxes that is realized as a result of large-scale transit projects. This is how New York City financed the $2 billion extension of the 7 subway line, repaying bond holders with a share of the appreciation in tax assessments generated by the development of Hudson Yards.

What's Possible?

- Value capture could help finance the new Penn Station, Metro-North Stations in the Bronx, the next phase of the Second Avenue Subway, and other major transit projects.

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