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FINANCIAL PLAN

5.1 INTRODUCTION

The purpose of this chapter is to demonstrate how the federal requirements for fiscal planning and constraint are met and how *Moving Forward 2055* can be implemented. Federal regulations require that the financial plan include the following:

- » System-level estimates of the costs and revenues reasonably expected to be available to adequately operate and maintain Federal-aid highways and public transportation
- » Estimates of funds that will be available for the implementation of the Plan; and
- » Additional financing strategies for the implementation of the Plan.

5.1.1 FINANCIAL PLANNING REQUIREMENTS

This chapter is intended to meet the financial requirements for *Moving Forward 2055*. According to 23 CFR 450.324, this Plan is required to contain the following:

(11) A financial plan that demonstrates how the adopted transportation plan can be implemented.

- (i) For purposes of transportation system operations and maintenance, the financial plan shall contain system-level estimates of costs and revenue sources that are reasonably expected to be available to adequately operate and maintain the Federal-aid highways (as defined by 23 U.S.C. 101(a)(5)) and public transportation (as defined by title 49 U.S.C. Chapter 53).*
- (ii) For the purpose of developing the metropolitan transportation plan, the MPO(s), public transportation operator(s), and State shall cooperatively develop estimates of funds that will be available to support metropolitan transportation plan implementation, as required under §450.314(a). All necessary financial resources from public and private sources that are reasonably expected to be made available to carry out the transportation plan shall be identified.*
- (iii) The financial plan shall include recommendations on any additional financing strategies to fund projects and programs included in the metropolitan transportation plan. In the case of new funding sources, strategies for ensuring their availability shall be identified. The financial plan may include an assessment of the appropriateness of innovative finance techniques (for example, tolling, pricing, bonding, public-private partnerships, or other strategies) as revenue sources for projects in the plan.*
- (iv) In developing the financial plan, the MPO shall take into account all projects and strategies proposed for funding under Title 23 U.S.C., Title 49 U.S.C. Chapter 53 or with other Federal funds; State assistance; local sources; and private participation. Revenue and cost estimates that support the metropolitan transportation plan must use an inflation rate(s) to reflect "year of expenditure dollars," based on reasonable financial principles and information, developed cooperatively by the MPO, State(s), and public transportation operator(s).*
- (v) For the outer years of the metropolitan transportation plan (i.e., beyond the first 10 years), the financial plan may reflect aggregate cost ranges/cost bands, as long as the future funding source(s) is reasonably expected to be available to support the projected cost ranges/cost bands.*
- (vi) For nonattainment and maintenance areas, the financial plan shall address the specific financial strategies required to ensure the implementation of TCMs in the applicable SIP.*
- (vii) For illustrative purposes, the financial plan may include additional projects that would be included in the adopted transportation plan if additional resources beyond those identified in the financial plan were to become available.*
- (viii) In cases that the FHWA and the FTA find a metropolitan transportation plan to be fiscally constrained and a revenue source is subsequently removed or substantially reduced (i.e., by legislative or administrative actions), the FHWA and the FTA will not withdraw the original determination of fiscal constraint; however, in such cases, the FHWA and the FTA will not act on an updated or amended metropolitan transportation plan that does not reflect the changed revenue situation.*

5.1.2 COST AND REVENUE CATEGORIES

In keeping with the federal financial planning requirements, *Moving Forward 2055*'s financial chapter is built around the following activity categories:

- » **Operations and Maintenance (O&M).** This chapter contains current systems-level estimates of costs and revenues for O&M that are reasonably expected to be available to operate and maintain the federally supported transportation system as defined by federal legislation [23 U.S.C. 101 (a)(6) and 49 U.S.C. Chapter 53].
- » **System Preservation** is broadly defined as costs related to the life-cycle replacement, refurbishment, rehabilitation, reconditioning, or reconstruction of components of the federally supported transportation system (i.e., equipment and facilities).
- » **System Enhancement** refers to extensions and/or improvements to the existing transportation system or new segments or services added to the transportation system to improve capacity and/or throughput.

5.1.3 KEY STEPS IN THE DEVELOPMENT OF FINANCIAL FORECASTS

The costs and revenue forecasts associated with transportation-related projects in *Moving Forward 2055* have been developed using the multi-step process outlined below:

- » **Defining the Federally Supported Transportation System.** The transportation system that moves people and goods in the NYMTC planning area is a complex network of services and facilities under a variety of jurisdictions. Some of these facilities are operated and maintained by fiscally self-supporting public authorities that generally do not access federal transportation funding. Others are owned and operated by local municipalities and not Federal-aid eligible.

Given these distinctions, this chapter first defines the Federal-aid eligible (i.e., federally supported) portions of the transportation system as a basis for forecasting the long-range costs and resources. The federally supported component is a subset of the overall transportation network in NYMTC's planning area. This chapter assumes that the fiscal needs of those system components owned, operated, and maintained by self-financed public authorities (described below) and local municipalities are met by those authorities and municipalities as demonstrated in their board/council-approved capital and operating budgets, plans, and programs.
- » **Inventorying System Components.** The condition of the facilities and equipment that are determined to be part of the federally supported transportation system have been inventoried as a step toward defining long-term system preservation needs. This includes existing system components and planned future components within the fiscally constrained element of the Plan.

- » **Forecasting Costs.** Based on the inventory of the federally supported transportation system components, forecasts of O&M, system preservation, and system enhancements costs were developed through the Plan's horizon year. The forecasts are aggregated modally for roadways (including pavements, bridges, and non-motorized facilities) and transit (including facilities and equipment).
- » **Forecasting Revenues.** Resources that are reasonably expected to be available from all sources to support the Plan's implementation are forecasted through the Plan's horizon year.

5.1.4 CAUTIONS IN FORECASTING LONG-RANGE COSTS AND REVENUES

Forecasting costs and revenues over such a long period presents risks and significant challenges for New York State and for NYMTC. For example, forecasting federal resources is complicated by the perennial threat to the financial solvency of the Highway Trust Fund, which partially supports federal highway and transit programs. These factors introduce a risk and uncertainty into long-range resource and cost forecasts.

5.2 SYSTEM-LEVEL ESTIMATES OF COSTS AND REVENUE SOURCES

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Federal Regulatory Language: For purposes of transportation system operations and maintenance, the financial plan shall contain system-level estimates of costs and revenue sources that are reasonably expected to be available to adequately operate and maintain the Federal-aid highways (as defined by 23 U.S.C. 101(a)(5)) and public transportation (as defined by title 49 U.S.C. Chapter 53)

5.2.1 THE FEDERALLY SUPPORTED TRANSPORTATION SYSTEM

In Chapter 2, *Moving Forward 2055* presents an inventory of the various components of the transportation system in NYMTC's planning area. As noted in Chapter 2, the multistate metropolitan area has one of the oldest, most complex, and highly used transportation networks in the world. On a typical weekday, the region's multimodal transportation network handles millions of passenger trips and thousands of tons of freight shipments. Notably, public transit mode share on this network is the highest in the United States, accounting for nearly 40 percent of all transit trips taken in the country, which is a testament to the scale of the public transit components of the network.

The federally supported transportation system is a subset of this overall transportation network that is defined through Federal-aid eligibility. Transportation system components that fall within this threshold are eligible for federal funding and/or require a federal action to proceed. Table 5.1 provides details of the general parameters of the federally supported transportation system.

Table 5.1 Major Parameters of the Federally Supported Transportation System

More than 19,000 lane miles of interstates, freeways, parkways, expressways, arterial and collector roadways.
More than 2,400 roadway bridges of all types under the ownership of the state, counties, and local municipalities.
Nearly 1,300 track miles of commuter rail and 665 mainline track miles of subway tracks in passenger service, plus hundreds of miles of local, express, commuter, and intercity bus routes and an aerial tramway.
An extensive network of passenger hubs, transit stations and stops, bus terminals and subway transfer facilities, ferry landings, and bus stops.
More than 1,300 miles of bicycle facilities, ranging from shared-use bike trails to on- road bike lanes, in addition to pedestrian sidewalks, trails, and paths.
Supporting infrastructure such as rail yards and highway maintenance facilities, highway rest areas, parking lots and garages, bus depots and transit storage yards, bicycle parking areas, toll plazas, signage, signals, electronics, and other equipment.

Local roadways that are not part of the Federal-aid highway system and whose costs are borne by the locality, regardless of ownership, are not included in the federally supported system. Similarly, any transportation system components that are financed exclusively with non-federal funds through state, local, or private means are not included in the federally supported system, regardless of eligibility. In the NYMTC planning area, five self-financed public authorities have jurisdiction over significant system components that are not considered part of the federally supported system. Brief descriptions of these five authorities and the system components that are under their jurisdictions are provided below.

- » **Port Authority** infrastructure assets include the George Washington Bridge and Bus Station; the Lincoln and Holland Tunnels; the Bayonne Bridge, Goethals Bridge, and Outerbridge Crossing; the Port Authority Bus Terminal in midtown Manhattan; the PATH rapid transit system and World Trade Center transportation hub; rail freight and car float operations, and the World Financial Center Ferry Terminal. In addition, the Port Authority has taken the lead in financing infrastructure at its airports (JFK, LaGuardia, Newark-Liberty, and Stewart) and marine terminals, including on-dock rail freight service at the container terminals and the Air-Train-JFK and AirTrain-Newark transit links.
- » **MTA Bridges and Tunnels** (legally, the Triborough Bridge and Tunnel Authority) is one of the component operating authorities of the MTA. MTA Bridges and Tunnels operates seven bridges (the Robert F. Kennedy, Throgs Neck, Verrazzano-Narrows, Bronx- Whitestone, Henry Hudson, Marine Parkway-Gil Hodges Memorial, and Cross Bay Veterans Memorial) and two tunnels (Hugh L. Carey Tunnel and the Queens-Midtown Tunnel) that connect the five boroughs of New York City over and under various water bodies. The other operating authorities that compose MTA (i.e., MTA NYCT, MTA MNR, MTA LIRR, MTA Staten Island Railway, and MTA Bus) operate facilities and services that are defined as part of the federally supported transportation system. In addition to funding the operating and capital budgets of MTA Bridges and Tunnels, toll revenue from MTA Bridges and Tunnels helps support other MTA-operated transit services.
- » **The New York State Thruway Authority** operates the New York State Thruway (I-87), the New England Thruway (I-95), and the Cross Westchester Expressway (I-287) within the NYMTC

planning area; it also operates the Governor Mario M. Cuomo Bridge, which carries the New York State Thruway over the Hudson River between Westchester and Rockland counties.

- » The [New York State Bridge Authority](#) operates the Bear Mountain Bridge that carries U.S. 202 and U.S. 6 over the Hudson River between the northern Westchester and Rockland counties.
- » The [Nassau County Bridge Authority](#) operates the Atlantic Beach Bridge that connects the Nassau Expressway with Atlantic Beach across the Reynolds Channel.

Other transportation facility owners and services that are not included in the financial forecasts for the federally supported transportation system are described below:

- » The [National Railroad Passenger Corporation](#), otherwise known as Amtrak, provides intercity rail services in the NYMTC planning area but does not program its federally funded projects through NYMTC's metropolitan transportation planning process. Amtrak owns Penn Station and the Moynihan Train Hall, as well as the trans-Hudson rail tunnels accessing Penn Station.
- » [NJ Transit](#) and [Connecticut Transit](#) are public benefit corporations operating transit services in the states of New Jersey and Connecticut; they provide services that terminate in Manhattan and in the City of White Plains in Westchester County. Although these carriers are eligible for and make use of federal transportation funding through other MPOs, they do not program federally funded projects through NYMTC's metropolitan transportation planning process.
- » Privately owned and operated ferry systems, rail freight systems, and intercity and interstate bus systems that provide services in the NYMTC planning area.
- » Municipally owned streets, sidewalks, and/or bridges within their jurisdictions.

5.2.2 COSTS AND RESOURCE FORECASTS

System-level forecasts of costs to O&M infrastructure and services are based on the current operating budgets of NYMTC's member agencies, as well as any longer-range operational plans they maintain. Entities generally have annual operating budgets approved by their respective legislatures or boards, while a capital program may have a longer term. New York State and local municipal sponsors have historically demonstrated both a commitment and record of accomplishment to match federal capital funding and provide enough funds to balance operating budgets. The O&M costs of system enhancements are included in these estimates in cases where planned enhancements add new components to the system. System enhancements that are included in the fiscally constrained element of the Plan are described in detail in subsequent sections of this chapter.

O&M COST FORECAST

More than \$975 billion in year of expenditure (YOE) dollars (an average of roughly \$33 billion per year) will likely be needed through the 2055 horizon year to operate and maintain the federally supported transportation system. These O&M cost forecasts are detailed in Table 5.2. Figure 5.1 and Figure 5.2 provide a modal and agency breakdown of these projected O&M costs for the federally supported

transportation system. An estimated 89 percent of the NYMTC planning area's forecast O&M costs are related to the operation & maintenance of transit services.

Table 5.2 Projected O&M Costs (In Millions of YOE Dollars)

Owner	Category	Forecasted Costs	Inflation Factor
Suburban NYMTC Counties	Transit	\$25,501.25	Multiple
	Roadways	\$2,179.15	2.6%
New York City	Transit	\$7,559.69	2.6%
	Roadways	\$46,644.86	2.3%
New York State	Transit	\$541.97	2.6%
	Roadways	\$21,055.84	2.2%
MTA	Transit	\$871,903.27	Multiple, based on Regional/National CPI projections
	Roadways		
All NYMTC Agencies	Non-Motorized	\$409.86	2.6%
TOTAL		\$975,795.89	

**Figure 5.1 O&M Costs by Mode, Federally Supported Transportation System
(In Millions of YOE Dollars)**

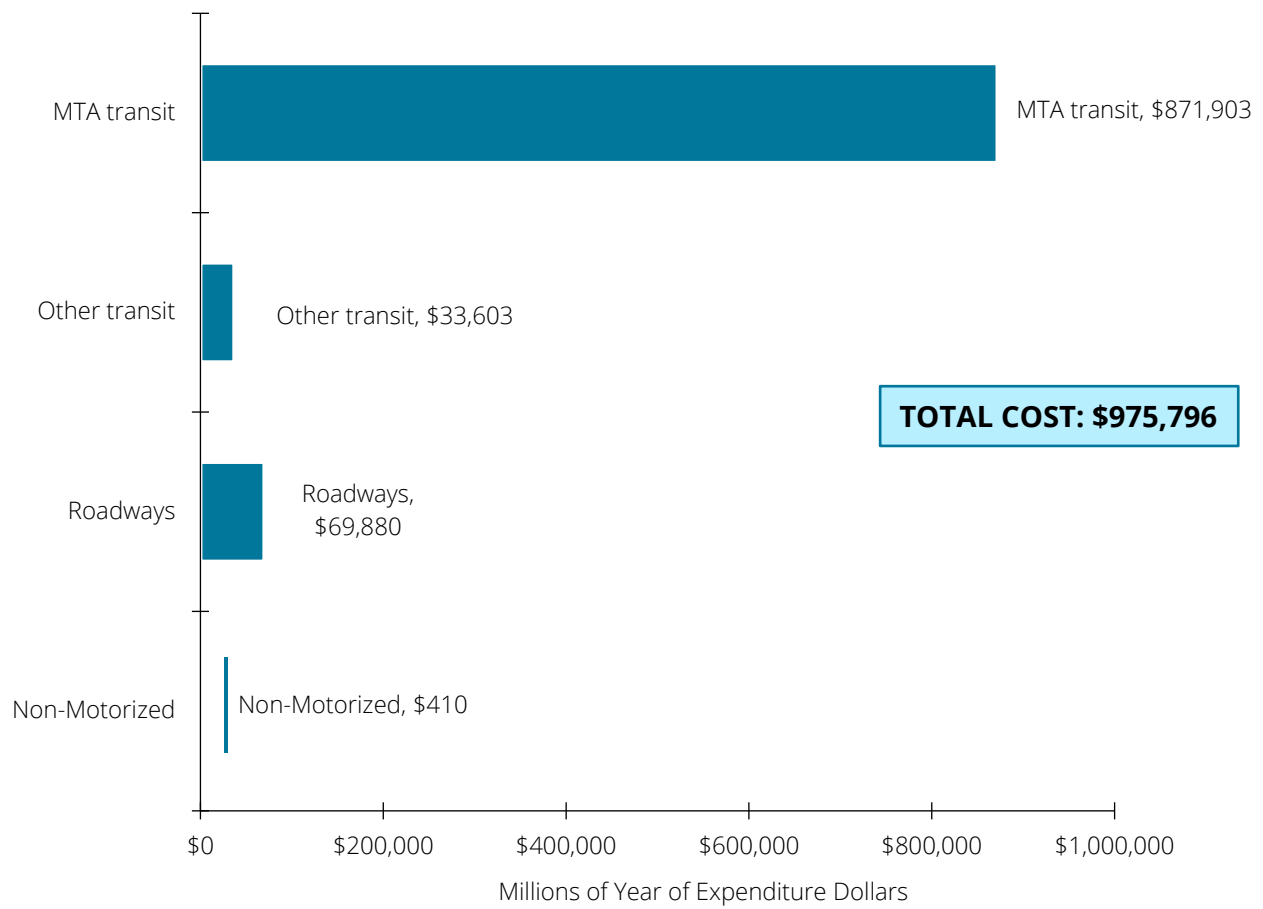
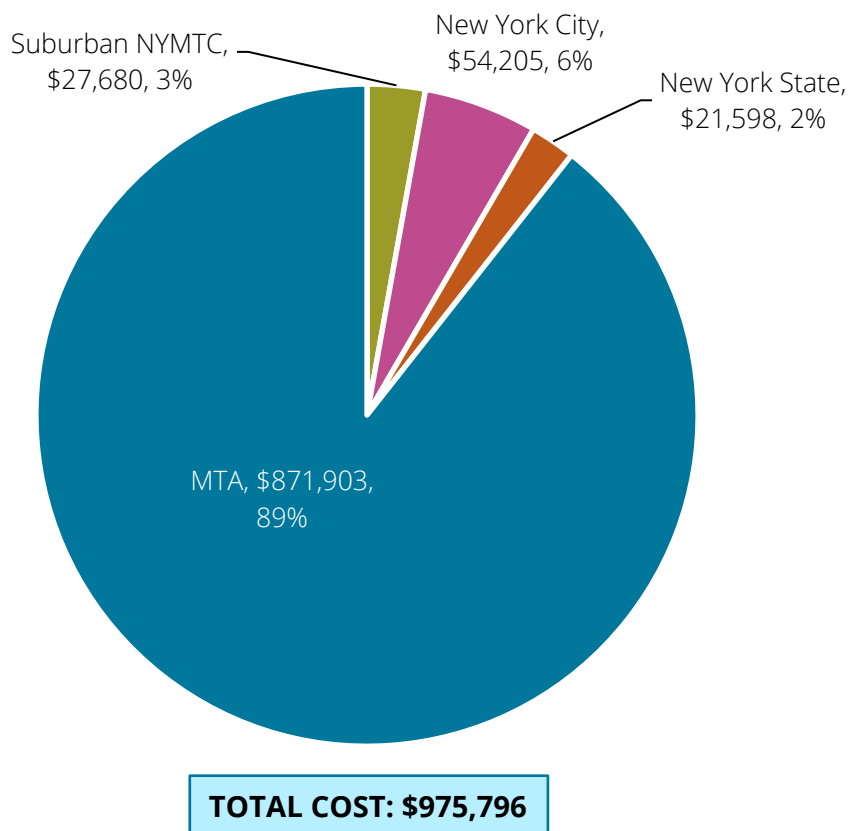


**Figure 5.2 O&M Costs by Agency, Federally Supported Transportation System
(In Millions of YOE Dollars)**



O&M REVENUE FORECAST

Forecasts of revenue sources that will be reasonably expected to be available to operate and maintain the federally supported transportation system are based on revenues from all sources. These funding sources were projected into the future using the assumptions of local tax receipts, user fees, and/or budget allocations that underlie the individual agency operating budgets of NYMTC's member agencies. A forecast of roughly \$993 billion in YOE dollars, or approximately \$33 billion annually, is expected to be reasonably available through the 2055 horizon year for operating and maintaining the federally supported transportation system. Roughly 93 percent of the revenues are related to the operation and maintenance of transit services. Table 5.3 presents the forecasted resources by agency.

Table 5.3 Projected O&M Revenues
(In Millions of YOE Dollars)

Owner	Category	Forecasted Revenue	Escalation Factor
Suburban NYMTC Counties	Transit	\$25,558.28	2.4%
	Roadways ¹	\$2,035.02	2.4%
New York City	Transit	\$8,484.00	2.6%
	Roadways ¹	\$46,644.86	2.3%
New York State	Transit	\$541.97	2.4%
	Roadways ¹	\$21,055.84	2.2%
MTA	Transit	\$888,277.45	Multiple, based on Regional CPI/Other
	Roadways ¹	–	
TOTAL		\$993,007.29	

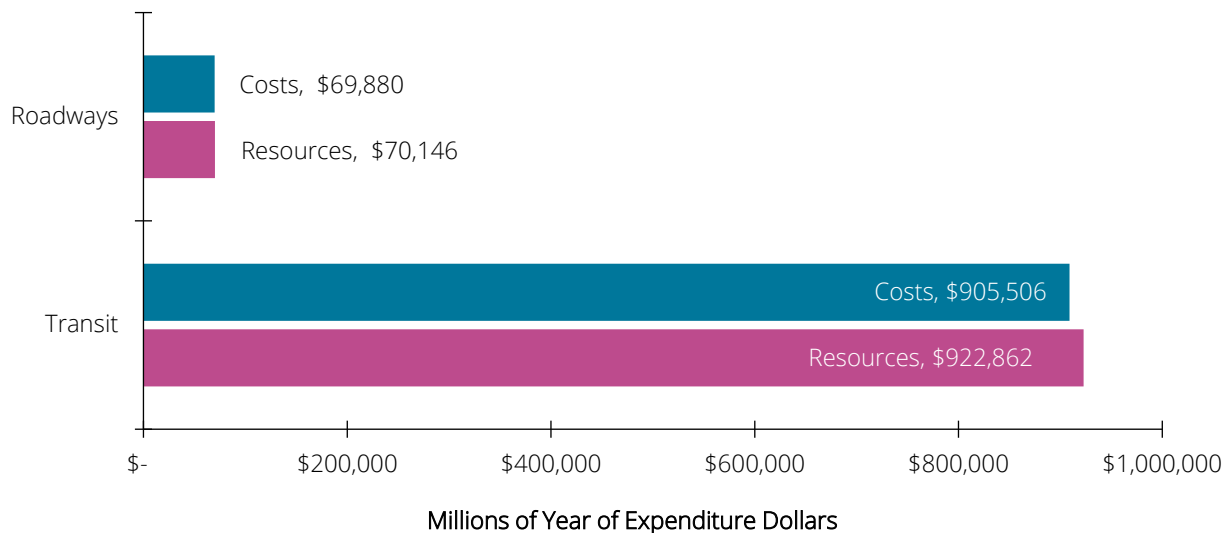
¹ Non-motorized assumed to be included in roadways.

State, public authority, and municipal operating budgets are assumed to address most of the O&M costs. Figure 5.3 visualizes the forecasted O&M revenue that is detailed in Table 5.3. As Table 5.3 demonstrates, the projected revenue sources that can reasonably be expected to be available to NYMTC's members from all sources to address the forecasted O&M costs will be adequate in comparison to the forecasted costs.

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Through these forecasts, *Moving Forward 2055* meets the federal regulatory requirement for a financial plan that contains system-level estimates of costs and revenue sources that are reasonably expected to be available to operate and maintain Federal-aid highways (as defined by 23 U.S.C.101(a)(6)) and public transportation (as defined by title 49 U.S.C. Chapter 53).

Figure 5.3 O&M Revenue Sources, Federally Supported Transportation System
(In Millions of YOE Dollars)



5.3 PROJECTS AND STRATEGIES PROPOSED FOR FUNDING

Federal Regulatory Language: In developing the financial plan, the MPO shall take into account all projects and strategies proposed for funding under title 23 U.S.C., title 49 U.S.C. Chapter 53 or with other Federal funds; State assistance; local sources; and private participation. Revenue and cost estimates that support the metropolitan transportation plan must use an inflation rate(s) to reflect “year of expenditure dollars,” based on reasonable financial principles and information, developed cooperatively by the MPO, State(s), and public transportation operator(s).

The projects and strategies proposed for funding through *Moving Forward 2055* fall into two broad categories:

- » **System Preservation** includes project and program costs related to the life-cycle replacement, refurbishment, rehabilitation, reconditioning, or reconstruction of the components (i.e., equipment and facilities) of the federally supported transportation system under the jurisdiction of NYMTC’s member agencies.
- » **System Enhancements** include project and program costs related to the expansion of the federally supported system’s capacity through the addition of new components or the significant expansion of the capacity of existing components to move, people, vehicles, and/or goods.

5.3.1 SYSTEM PRESERVATION

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System preservation needs are forecast through the Plan’s 2055 horizon year to be responsive to the regulatory requirement of considering all projects and strategies proposed for funding under title 23 U.S.C., title 49 U.S.C. Chapter 53 or with other Federal funds; State assistance; local sources; and private participation.

The forecasts of system preservation needs incorporate several regional and local assumptions and policies, such as pavement treatment costs and strategies as well as transit fleet life-cycle replacement cycles. The unit costs for the preservation of individual system components, such as lane miles of roadway or track miles of rail, are assumed to include costs of peripheral infrastructure, such as signage, lighting, and fencing.

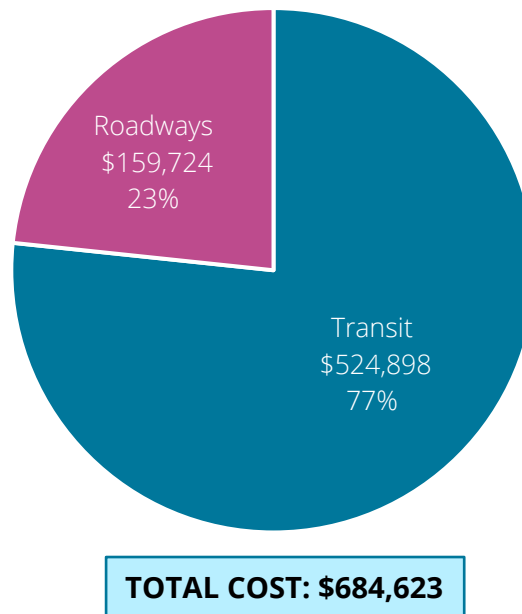
Inflation rates are applied to unit cost estimates to represent YOE dollars, using either local inflation data for planning and programming estimates, or, in the absence of such data, applying default inflation rates of 2.6 percent, compounded annually, to their cost estimates. The default inflation rate was arrived at through a trend analysis of ten years of Consumer Price Index data.

Based on the forecasts of the member agencies’ costs to preserve the various components of the federally supported transportation system under their jurisdiction (see Table 5.4 for details), approximately \$685 billion in YOE dollars (\$23 billion annual average) in system preservation projects and strategies will likely need to be funded through the 2055 horizon year. Figure 5.4 provides a modal breakdown of these projected system preservation costs for the federally supported transportation system.

Table 5.4 Projected System Preservation Costs by NYMTC Subregion
(in millions of YOE dollars)

Subregion	Costs
Lower Hudson Valley Counties	\$4,459
Long Island Counties	\$16,172
New York City	\$107,964
New York State (all subregions)	\$32,987
MTA (all subregions)	\$523,040
TOTAL	\$684,623

Figure 5.4 Projected System Preservation Costs by Mode
(In Millions of YOE Dollars)



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5.3.2 SYSTEM ENHANCEMENT

System enhancement includes forecasted costs and resources related to projects and strategies proposed to be funded to expand the capacity of the federally supported transportation system through the addition of new components or services, or by expanding the capacity of existing components or services. These include both major system enhancement projects—defined through NYMTC’s operating procedures as transportation projects or programs that meet this definition with an estimated cost of \$100 million or greater and/or those of regional scope or impact—and minor system enhancements with lower estimated costs and/or lesser scope or impact. Generally, major system enhancement projects included in the fiscally constrained Plan and/or FFYs 2026–2030 TIP are derived from the Shared Vision for Regional Mobility described in Chapter 1.

The system enhancement projects and strategies proposed for funding as part of the fiscally constrained Plan and FFYs 2026–2030 TIP are itemized in Table 5.5 and total r\$63 billion in YOE dollars through the 2055 horizon year.

Table 5.5 Major System Enhancement Projects and Programs
(In billions of YOE Dollars)

Category/ Project	PLAN ID, PIN #	Funding category	Pre- 2026	TIP (2026- 2030)	PLAN (2031-2055)					Total
					31-35	36-40	41-45	46-50	51-55	
Minor Projects (from TIP & Plan)										
FFYs 2026–30 TIP	Formula Federal	\$0.19	\$0.46							\$0.46
	Project-specific: Federal		\$0.03							\$0.03
	Project-specific: State/local	\$0.90	\$2.34							\$2.34
FFYs 2026–2055 Plan	Formula federal			\$0.04	\$0.04					\$0.08
	Project-specific: Federal									\$0.00
	Project-specific: State/local			\$0.01	\$0.01					\$0.02
Major Projects (Itemized)										
1	NY Route 347 Safety, Mobility and Environmental Improvements									
PLAN ID: NSSC650C	Formula Federal				\$0.26					\$0.26
	Project-specific: Federal									\$0.00
	Project-specific: State/local				\$0.07					\$0.07
2	MTA NYCT Second Avenue Subway Phase 2									
PLAN ID: NYCM2663C	Formula Federal									\$0.00
	Project-specific: Federal			\$3.40						\$3.40
	Project-specific: State/local			\$4.29						\$4.29
3	MTA NYCT Second Avenue Subway Phase 3-4									
PLAN ID: NYCM2664C	Formula Federal									\$0.00
	Project-specific: Federal					\$2.90	\$7.38	\$4.69		\$14.96
	Project-specific: State/local					\$2.90	\$7.38	\$4.69		\$14.96
4	Transportation Systems Management & Operations Programs									
PLAN IDs: MHSDM708C, NYCDM2304C, NSDM2305C	Formula Federal		\$0.56	\$0.65	\$0.74	\$0.84	\$0.96	\$1.09		\$4.85
	Project-specific: Federal		\$0.14	\$0.16	\$0.19	\$0.21	\$0.24	\$0.27		\$1.21
	Project-specific: State/local									\$0.00
5	Woodhaven Boulevard Select Bus Service - Capital Improvements									
PLAN ID: NYCQ386C	Formula Federal									\$0.00
	Project-specific: Federal									\$0.00
	Project-specific: State/local			\$0.24						\$0.24

Category/ Project	PLAN ID, PIN #	Funding category	Pre- 2026	TIP (2026- 2030)	PLAN (2031-2055)					Total
					31-35	36-40	41-45	46-50	51-55	
6	Interborough Express									
	PLAN ID: NYCMB12190C	Formula Federal		\$0.07					\$0.07	
		Project-specific: Federal		\$4.34					\$4.34	
		Project-specific: State/local		\$1.09					\$1.09	
7	Rehabilitation/Replacement of 5 Cross Bronx Expressway Bridges from Boston Road to Rosedale Avenue									
	PLAN ID: NYCBX2206C	Formula Federal		\$0.71					\$0.71	
		Project-specific: Federal		\$0.00					\$0.00	
		Project-specific: State/local		\$0.18					\$0.18	
8	ADA Accessibility at Subway Stations									
	PLAN ID: NYCMB5127C	Formula Federal		\$7.15					\$7.15	
		Project-specific: Federal		\$0.00					\$0.00	
		Project-specific: State/local		\$1.79					\$1.79	
9	Great Streets Vision Zero – Queens Boulevard									
	PIN: X77338 PLAN ID: NYCQ2361C	Formula Federal	\$0.02							
		Project-specific: Federal								
		Project-specific: State/local	\$0.19							
10	Penn Station Access: New Haven Line via Amtrak's Hell Gate Line									
	PLAN ID: MHSMC767C	Formula Federal	\$0.07							
		Project-specific: Federal								
		Project-specific: State/local	\$1.76							
11	Hunts Point Interstate Access Improvement									
	PLAN ID: NYCBX2162C	Formula Federal	\$0.33							
		Project-specific: Federal								
		Project-specific: State/local	\$1.43							
Subtotals		Formula Federal	\$0.60	\$1.73	\$7.91	\$1.04	\$0.84	\$0.96	\$1.09	\$13.58
		Project-specific: Federal	\$0.00	\$0.17	\$7.91	\$0.19	\$3.11	\$7.62	\$4.96	\$23.95
		Project-specific: State/local	\$4.29	\$2.52	\$7.41	\$0.08	\$2.90	\$7.38	\$4.69	\$24.97
TOTALS			\$4.89	\$4.42	\$23.23	\$1.31	\$6.85	\$15.96	\$10.74	\$62.50
PROJECTED REVENUES			\$4.89	\$4.42	\$23.23	\$1.31	\$6.85	\$15.96	\$10.74	\$62.50

5.3.3 TOTAL PROJECTS AND STRATEGIES COSTS

In total, the projects and strategies proposed for funding in the fiscally constrained Plan and the FFYs 2026–2030 TIP are forecast to cost \$747 billion in YOE dollars (\$25 billion annual average) to preserve and enhance the federally supported transportation system through the planning period.

5.4 ESTIMATES OF AVAILABLE FUNDS

Federal Regulatory Language: For the purpose of developing the metropolitan transportation plan, the MPO(s), public transportation operator(s), and State shall cooperatively develop estimates of funds that will be available to support metropolitan transportation plan implementation, as required under §450.314(a). All necessary financial resources from public and private sources that are reasonably expected to be made available to carry out the transportation plan shall be identified.

5.4.1 FEDERAL FUNDING FORECASTS

The strong federal partnership that has characterized transportation funding in the NYMTC planning area is assumed to continue during the planning period and to play a significant role in the preservation and enhancement of the federally supported transportation system. As of this writing, the Infrastructure Investment and Jobs Act (IIJA) is the current transportation act that authorizes funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes. The IIJA authorizes funding through the first year of this Plan – federal fiscal year 2026.

In order to forecast reasonably expected federal resources, six successor authorization acts to the IIJA are assumed to begin in FFY 2027. Each successor act is assumed to be five years in duration, with federal funding authorizations in each act escalating per the historical trend derived from all predecessor authorization acts starting with the Intermodal Surface Transportation Efficiency Act (ISTEA) (see Table 5-7 and Table 5-7. State and local funds are assumed to escalate at the same rate as the authorized federal funding.

Table 5.6 Federal Authorization Historical Trend Analysis
(In Millions of \$)

Authorization	Years Authorized	Number of Years	Average \$/Year (millions)	Average \$/Year Change from Predecessor
ISTEA	1992-1997	6	\$25,833.33	N/A
TEA-21	1998-2003	6	\$33,032.50	27.9%
SAFETEA-LU	2005-2009	5	\$48,829.00	47.8%
MAP-21	2013-2014	2	\$52,000.00	6.5%
FAST	2017-2021	5	\$60,935.00	17.2%
IIJA	2022-2026	5	\$136,321.44	123.7%
Average % Change				44.6%
Median % Change				27.9%

Table 5.7 Assumed Future Federal Authorization Acts
(In Millions of \$, Historical Escalation Rate: 27.9% Per Successor in Total)

Federal Act	Federal Fiscal Years	Average Annual NYMTC Formula Federal Planning Target	Assumed Duration in Years	Total NYMTC Formula Federal Planning Target
IJA	2026	\$3,031.40	N/A	\$3,031.40
Successor Act #1	2027–2031	\$3,877.17	5	\$19,385.83
Successor Act #2	2032–2036	\$4,958.89	5	\$24,794.47
Successor Act #3	2037–2041	\$6,342.43	5	\$31,712.13
Successor Act #4	2042–2046	\$8,111.96	5	\$40,559.82
Successor Act #5	2047–2051	\$10,375.20	5	\$51,876.01
Successor Act #6	2052–2055	\$13,269.88	4	\$53,079.53
TOTAL				\$224,439.20

5.4.2 STATE AND LOCAL FUNDING FORECASTS

New York State-authorized revenues for transportation purposes were projected from base year funding levels using the same approach as the forecast of federal funding (under the assumption that the relationship of state and local funding to federal funding would be maintained during the forecast period). Under this assumption, state and local revenues are assumed to grow, as necessary, to address the forecasted non-federal share. NYMTC's members have a long-standing and demonstrated history of providing the non-federal share necessary to leverage any additional funds that are apportioned/allocated to the region.

5.4.3 ESTIMATED FUNDS FOR PLAN IMPLEMENTATION

Funds reasonably expected to be available for the implementation of the fiscally constrained Plan are \$770 billion in YOE dollars from all sources, an annual average of \$26 billion. Table 5.8 and Figure 5.5 detail reasonably expected revenues during the planning period.

Table 5.8 Resource Forecasts
(In Millions of \$)

Fund Source	Forecast
Federal Formula	\$224,439.20
Federal Non-Formula (MTA)	\$3,821.27
Federal Project-Specific	\$25,125.85
New York State	\$71,397.96
Local Match/Overmatch	\$166,550.41
MTA Supplemental Local	\$279,159.45
TOTAL RESOURCES	\$770,494.13

Figure 5.5 Estimated Funds for Plan Implementation
(In Millions of \$)

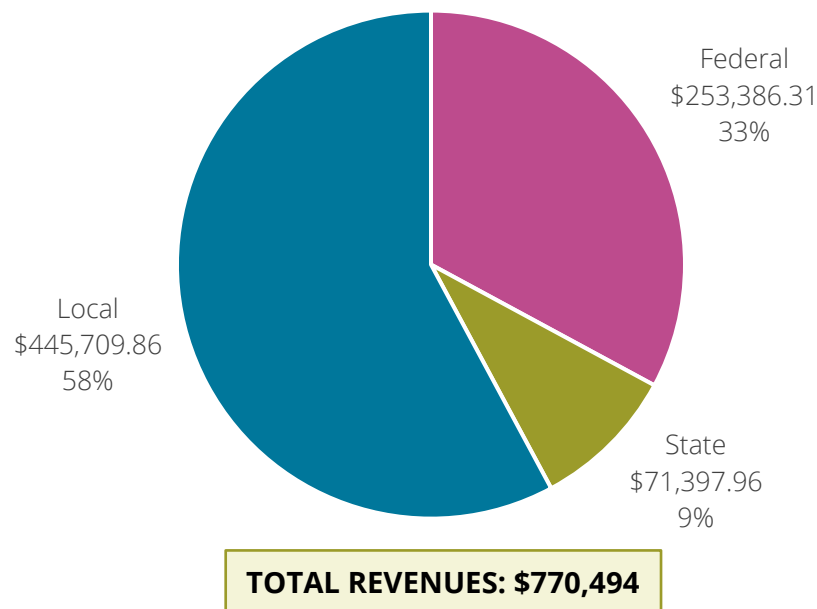
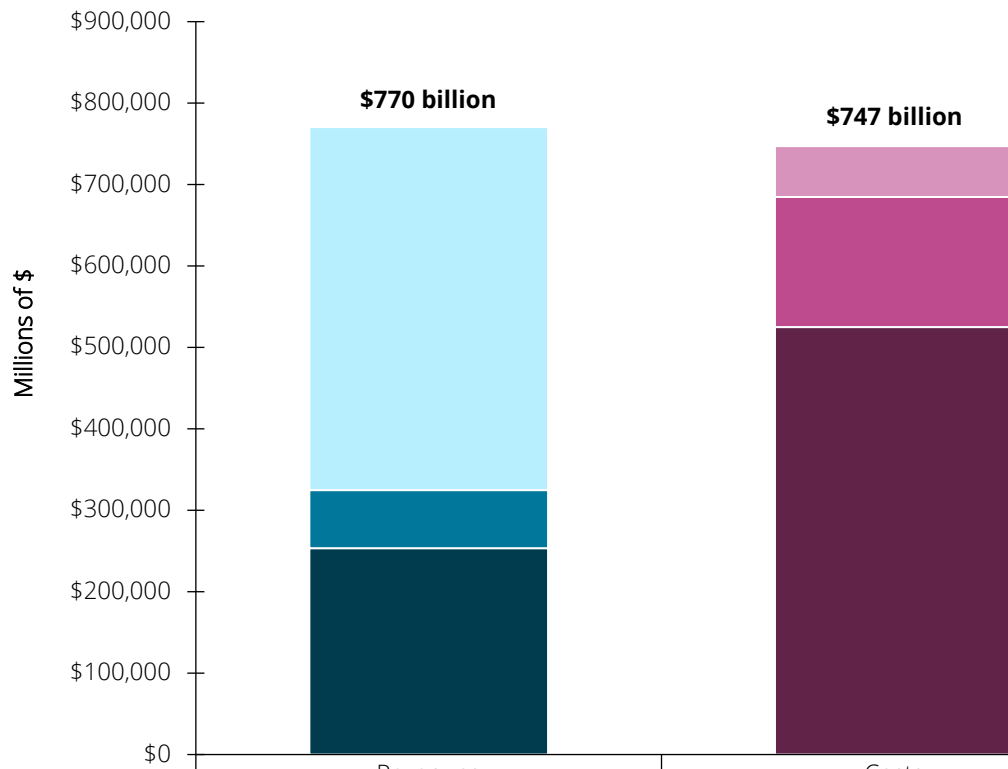


Figure 5-6 compares the forecasts of reasonably expected revenues to the forecasts of the estimated costs to implement the projects and strategies proposed for funding in the fiscally constrained Plan and FFYs 2026–2030 TIP. Broadly speaking, the reasonably expected revenues will address the projected costs of Plan implementation.

Figure 5.6 Revenues versus Costs
(In Millions of \$)



5.5 ADDITIONAL FINANCING AND FUNDING STRATEGIES

Federal Regulatory Language: The financial plan shall include recommendations on any additional financing strategies to fund projects and programs included in the metropolitan transportation plan. In the case of new funding sources, strategies for ensuring their availability shall be identified. The financial plan may include an assessment of the appropriateness of innovative finance techniques (for example, tolling, pricing, bonding, public-private partnerships, or other strategies) as revenue sources for projects in the plan.

Moving Forward 2055 identifies project-specific federal, state, and local financing and funding strategies organized in nine categories across five areas (Debt Financing, Grant Funding, Consumer Activity, Capturing Value, and Partnerships). Accessing, adopting, and implementing any of these strategies is subject to government legislative action as well as budgeting and policy decisions outside of NYMTC's statutory authority and the metropolitan transportation planning process. Table 5.9 lists these strategies and the attached Chapter 5 Appendix summarizes each strategy in more detail.

Additionally, non-transportation financial sources are potentially available to address transportation needs, particularly in cases where they help leverage other federal, state, or local transportation (or other sources) as funds typically address transportation across various topics like electrification, clean energy and sustainability, developing rural areas, and building affordable communities as well as housing. Examples include sources at the Joint Office of Energy and Transportation, the Department of Energy (DOE), the Department of Environmental Protection (DEP), the Department of Commerce (DOC), the Department of Housing and Urban Development (HUD), and the US Department of Agriculture (USDA).

Table 5.9 Summary of Additional Financing and Funding Strategies

#	Financing Option	Type	Description
1	<i>Debt-Financing Municipal Bond</i>	Debt	Raise funds through selling bonds to build or buy equipment repaid with interest over time at market interest rates.
2	<i>Debt-Financing Federal Loan</i>	Debt	Raise funding at lower than market interest rates & pay less in interest.
3	<i>Discretionary Federal Grant</i>	Grant	Receive one-time discretionary funding for specific project &/or system upgrade.
4	<i>Purchase-Based Tax</i>	Consumer Activity (Tax)	Receive funding from portion(s) of consumer purchases.
5	<i>Purchase-Based Fee</i>	Consumer Activity (Fee)	One-time &/or annual fee specific to purchase &/or credential.
6	<i>Usage Based Fee</i>	Consumer Activity (Fee)	Directly charge system users to use system &/or geographic area.
7	<i>Value Capture</i>	Capturing Value	» Tax Increment Financing (TIF) revenues fund transportation through projected increased tax revenues resulting from higher property values following infrastructure improvements. » Payments in lieu of Taxes (PILOTs) are payments made to governments to offset property tax losses from tax-exempt properties. » Tax Assessment Districts (TADs) empower a municipality to charge a tax or surcharge in a specific area to improve infrastructure bringing new development. » Tax Development Districts (TDDs) raise funds for specific costs of a project like developing or improving transit services.
8	<i>Public Private Partnerships</i>	P3	Contracts between governmental entity or public authority & private company to finance, build, operate, &/or maintain a new or existing piece of infrastructure or program sometimes involving user fees to compensate the private entity. Terms vary by project whether a DBOM, DBFOM, etc.
9	<i>Corporate Partners & Sponsorships</i>	Private Partnership	Employers or businesses like casinos levy taxes on gross payroll or revenues within transit districts to generate revenue, administered by a state revenue agency on behalf of transit district. Lease &/or sale of transportation asset to an external public or private partner to generate additional revenues for transportation agency.

5.5.1 PROJECT-SPECIFIC FINANCING AND FUNDING STRATEGIES

Project-specific funding opportunities expected to be available for Moving Forward 2055 projects are explained below based on studying feasibility and credibility alongside existing examples in local and national markets and project financing plans from NYMTC's planning area.

DEBT FINANCING

Debt financing is useful for improving infrastructure that generates a revenue stream. Borrowers receive funds for construction or purchasing equipment from selling bonds, applying for federal credit assistance, or soliciting government infrastructure banks which are repaid over time with accrued interest. A federal infrastructure bank currently does not exist, but local state infrastructure banks (SIBs) like in Ohio¹ offer interest-free or lower-rate loans not available through the private market. SIBs are run by state government offering loans for highway construction projects, transit capital projects, and railroad projects receiving matching state funds to help attract private investors.

MUNICIPAL BONDS

Bonds are common financing tool used to improve infrastructure across the country. Projects generating user fees² like tolls are strong candidates for bond financing because user fee revenues can be used to secure debt. Selling bonds generates proceeds directly for projects but requires issuers to maintain strong credit ratings and stable revenue source(s) to repay borrowed funds. Until the debt is repaid, issuers must meet strict debt covenants prescribed in bond documents while paying usually over 30 years of debt service, including interest. Debt service payments also tend to “rank senior” and must be paid before other expenses. Bond sales are generally quick after securing municipal approvals and credit ratings and offer borrowers various repayment options depending on repayment revenue projections.

Types of bonds include General Obligation (GO) Bonds, Build America Bonds (BAB), and Private Activity Bonds (PAB), among others. GO Bonds are issued by governments to raise general funds to finance various projects which are repaid through general tax revenues. BABs are issued by governments through the U.S. Treasury to raise funds to finance surface transportation projects before January 1, 2011. PABs are issued through the U.S. Department of Transportation (U.S. DOT) on behalf of a private entity involved in a Public Private Partnership (P3). State DOTs in a P3 apply for PABs to finance P3 surface transportation projects with the private developer(s) responsible to repay the debt.

The recently completed MTA LIRR East Side Access (ESA)³ project is a local example of using bond funding. ESA was partially funded through the 2005 Rebuild and Renew Transportation Bond Act where New York State issued \$2.9 billion of bonds to fund transportation projects, with \$450 million dedicated to ESA.

FEDERAL LOANS

Securing a loan usually requires a long and competitive administrative process in addition to the borrower maintaining strong credit ratings and stable revenue sources(s) to repay debt. Funds are usually more restricted and also paid back over 30 years with interest. Borrowers must still meet strict requirements prescribed in loan documents and pay loan expenses first. Types of loans include Transportation Infrastructure Finance and Innovation Act (TIFIA) Loans, Railroad Rehabilitation and Improvement Financing (RRIF) Loans, State Infrastructure Bank (SIB) Loans, and Section 129 Loans, among others. Section 129 (S.129) Loans provide state governments with low interest loans to fund transportation projects with fewer

requirements than SIB loans and negotiable interest rates, but funds must be repaid through a dedicated revenue stream.

Transportation Infrastructure Finance and Innovation Act (TIFIA) Loans provide government entities with low interest government loans to fund shovel-ready transportation projects which must be repaid by a secure and committed revenue source. The federal government offers competitive TIFIA loans at a lower-than-market interest rate to cover up to 33 percent of project costs (or up to 49 percent for certain projects), reducing overall project costs, but applicants must identify a stable and dedicated repayment source like tolls or taxes. TIFIA loans were used to build the Governor Mario M. Cuomo Bridge, replacing the Goethals Bridge,⁴ build the Moynihan Train Hall⁵, and purchase three new ferry boats alongside rebuilding Staten Island Ferry terminals.⁶

Railroad Rehabilitation and Improvement Financing (RRIF) Loans provide railroads and government entities low interest government loans to fund railroad infrastructure projects across track, facilities, planning, and capital projects or refinance existing debt. A RRIF Loan was used to help fund the Gateway Tunnel Project⁷ across the Hudson River.

GRANT FUNDING

Numerous local projects have used grants as a funding source for transportation. NYMTC should continue to seek grants to assist various needs, keeping in mind funding availability and eligibility criteria are subject to change over time.

FEDERAL GRANTS

The Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and the U.S. DOT administer common discretionary federal funding programs to fund transportation projects as authorized and appropriated by Congress. As discretionary funding programs, these offerings follow a criteria-based rubric to evaluate awarding funding to proposed projects. Competitive grant applications are usually long administrative processes for a one-time award, usually requiring a local match and restricting fund use. Eligibility and competitiveness for these programs depends on the funding program and nature of the project. Applications can require innovative practices, certain project budgets and spending plans, as well as other terms and conditions like focusing on improving active transportation.

Federal grants are offered through the Multimodal Project Discretionary Grant (MPDG) program, the Rural Surface Transportation Program (RTSP), the Regional Infrastructure Accelerators (RIA) program, the Carbon Reduction Program (CRP), the Capital Investment Grants (CIG) program, the Better Utilizing Investments to Leverage Development (BUILD)⁸ program, the Nationally Significant Multimodal Freight and Highway Projects program, and the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program.

MEGA Grants are awarded to government entities through the MPDG program to fund surface transportation projects across federal highways, bridges, ports, intercity rail, freight rail, and public transportation. RTSP Grants are awarded to government entities to fund surface transportation projects across federal highways, bridges, ports, intercity rail, freight rail, and public transportation, including

highway safety projects, agricultural access roads, and various transportation demand management systems. The RIA Program provides additional grant funding to governments for technical resources, planning, and project development to expedite regional transportation infrastructure P3 projects through the same requirements as TIFIA loans.

CRP provides governments grants to assist achieving state carbon reduction strategies and fund projects to reduce transportation CO₂ emissions across traffic management, public transit, pedestrian facilities, alternative fuels, and port electrification. CRISI grants are awarded to government or academic entities or private railroads from the FRA to help fund railroad projects across capital improvements, safety enhancements, congestion relief, road crossings, corridor studies, workforce training programs, or environmental mitigation work.

CIG⁹ through Section 5309 are grants awarded to government entities from the FTA to fund transit capital investments across heavy rail, commuter rail, light rail, streetcars, and bus rapid transit (BRT) while Section 5339 Buses and Bus Facilities grants are given specifically for buses and bus facilities. Both Section 5309 and 5339 grants have been used to finance the Second Avenue Subway on Manhattan's East Side and for Select Bus Service (SBS)¹⁰ projects across New York City in Nassau County's Para-Transit Vehicle Replacement Program, Rockland County's Bus Facilities Program, and the Westchester County Electric Bus Program.

BUILD¹¹ program grants are awarded to government entities from U.S. DOT to fund surface transportation infrastructure projects with significant local or regional impact. INFRA Grants are awarded to government entities from U.S. DOT through the Nationally Significant Multimodal Freight and Highway Projects program to fund nationally significant multimodal freight and highway projects that improve safety, efficiency, and reliability across freight and people movement in and across rural and urban areas. BUILD and INFRA grants were used to help fund the Brooklyn Bridge Approach Arches and Towers Rehabilitation program in addition to Phase I of Moynihan Station,¹² numerous Vision Zero safety improvements,¹³ Fordham Plaza in the Bronx,¹⁴ Hunts Point freight improvements in the Bronx,¹⁵ various greenway improvements, and the Cross-Harbor Freight Program.¹⁶

CONSUMER ACTIVITY

Transportation funds can be generated from levying a surcharge like a tax or a fee on certain consumer-based chosen activities including consumer purchases and travel patterns and/or choices. Revenues from taxes or fees can be used for general transportation funding, securing debt, or towards specific projects.

PURCHASE-BASED TAXES

Purchased-based taxes fund transportation projects based on a percentage portion of consumer purchases and usually require public legislative approval to administer and/or change. Tax revenues also depend on steady population levels showing signs of growth with trackable and stable purchase patterns. Reliable transportation funds from purchase-based taxes come from taxes with a fixed annual increase usually tied to or above inflation. Types of purchase-based taxes used to fund transportation include Sales

Taxes, Fuel Taxes, Hotel Taxes, Property Taxes, Cigarette Taxes, Marijuana Taxes, Car Rental Taxes, and Real Estate Transfer Taxes, most of which are already in use across the NYMTC region.

Sales Taxes are a surcharge on general everyday consumer purchases including clothing, food, supplies, and other goods with Cigarette Taxes and Marijuana Taxes as an additional charge placed on top of these specific items. Fuel Taxes are levied on top of vehicle fuel purchases while Car Rental Taxes are a special one-time charge placed on vehicle renters. Property Taxes charges real estate owners while Real Estate Transfer Taxes are special surcharges applied to real estate sales where the property title is transferred. Hotel Taxes are a surcharge guests pay when booking a hotel stay.

PURCHASE-BASED FEES

Like purchase-based taxes, purchase-based fees generate funding for transportation from portions of consumer purchases usually tied to specific to vehicle activity. These fixed fees generate funds from a one-time vehicle purchase or activity and also usually require public legislative administrative approval. Reliable fee revenue again depends on a stable population with strong purchase patterns and fees annually increased to keep up with inflation. Types of purchase-based fees in use to fund transportation projects include Electric Vehicle (EV) Fees, License Fees, Registration Fees, and Car Rental Fees, again with some like License and Registration Fees already in use across the NYMTC region.

Electric Vehicle (EV) Fees are a charge to owners or renters of electric vehicles at time of vehicle purchase or rental. License Fees charge drivers seeking to apply for and/or renew a driver's license while Registration Fees are charged to vehicle owners upon registering a vehicle. Car Rental Fees, like Car Rental Taxes, are a special one-time charge placed on vehicle renters.

USAGE-BASED FEES

Usage-based fees produce funds for transportation projects by directly charging system users to use a specific system or travel across a certain geographic area. Usually more restrictive than purchase-based taxes or fees, fixed or variable usage-based fees have limited fee escalation as income considerations restrict increases from being tied to/above inflation. Additionally, existing capital infrastructure like a transit system, bridge, or tollway must be present and matched to existing strong travel patterns showing growth alongside administrative resources to collect fees, address fee evasion. Types of usage-based fees include Vehicle Miles Traveled (VMT) Fees, Truck Ton Mile Fees, Tolls, Transit Fares, Utility Fees, Congestion/Cordon Pricing, Amusement Fees, and Parking Fees and are already in use across NYMTC's region across Manhattan, the New York City Subway, MTA Bridges and Tunnels, NJ TRANSIT, PATH trains, and the NJ Turnpike except for VMT Fees, Utility Fees, and Amusement Fees. Congestion/Cordon pricing introduces a surcharge for entering a certain geographical area, usually a city's densest area, with flat or variable tolls based on time of day, vehicle type, and other parameters to reduce congestion and pollution, increase transit speeds, and generate significant revenues for transportation. New York State legislation has allowed New York City to be first US city to implement congestion/cordon pricing and now charges motorists \$9 to enter Manhattan with expectations of generating below 60th Street between 5:00 a.m. and 9:00 p.m. on weekdays and from 9:00 a.m. to 9:00 p.m. on weekends.¹⁷

CAPTURING VALUE

VALUE CAPTURE

Upgrading transportation increases nearby property values by making surrounding areas more desirable for current and potential users benefiting from improved travel and access. Capturing the increase in property values in advance, or Value Capture, is a financing tool commonly used to fund transportation improvements. Revenues from Value Capture can be used for general transportation funding, securing debt, or towards specific projects but often take time to implement. Public buy-in and specific legislative approvals must be met along with conducting extensive forecasting and planning work to map out districts and estimate revenues. Furthermore, districts are usually limited to specific zones surrounding a project or area and can expire within a certain timeframe. Dedicated administrative resources are also usually needed for ongoing management.

Types of Value Capture include Tax Increment Financing (TIF), Payments In Lieu Of Taxes (PILOTs), Tax Assessment Districts (TADs), and Transportation Development Districts (TDDs), all varying in complexity and implementation timeframe. TADs do not require acquiring land while TIFs and PILOTs do, along with rezoning and creating special legal entities. Additionally, increased tax revenues from raises in property values also take time and depend on growing market demand, further complicated by phased development.

TIFs fund transportation through projected increased tax revenues resulting from higher property values following infrastructure improvements while PILOTs are a certain type of TIF where payments are made to governments to offset property tax losses from tax-exempt properties. TIFs are usually established by creating a development entity to manage TIF-financed projects within TIF districts who raises project funds by selling bonds paid back from TIF revenues. Often, all tax amounts exceeding existing taxes in the TIF district are used to pay back bonds. Revenue is generated from measuring the increase from property's existing tax amounts, which makes TIF districts work best across undeveloped or under-developed areas. New York State only authorizes PILOTs as TIF financing which were used to extend the MTA NYCT's No. 7 Subway Line west to Hudson Yards.¹⁸ New York City was permitted to issue bonds to finance the extension which are partially being paid back by PILOTs from Hudson Yard developers of new commercial buildings receiving 40 percent tax breaks for 19 years.

TADs empower a municipality to charge a tax or surcharge in a specific area to improve infrastructure bringing new development while TDDs raise funds for specific costs of a project like developing or improving transit services.

PARTNERSHIPS

PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships (P3) are used to privatize or pay for public transportation projects by establishing a contract (concession) between a private company and public authority or government

(forming a consortium) to fund, build, operate, or maintain new or existing infrastructure, program, or system. P3s require local legislation and available private as well as municipal partner(s) alongside coordinating multiplayers to finance and administer the concession. Ongoing public/legislative approval is also usually necessary during political turnover through construction and operations. P3 legislation does not exist in New York State, and P3 projects usually take multiple years to complete given lengthy bid negotiations for private partner(s).¹⁹ Across the NYMTC region, only the MTA, NJ TRANSIT, PANYNJ, and NJDOT can implement a P3 (Table 5-10).

Successful P3s have clear payment incentives established from the beginning to ensure private partner(s) meet the public's project goals. Concessions usually last around 30 years with fixed availability payments as debt service usually from user fees, and terms vary by project whether solely a design-build (DB), design-build-operate-maintain (DBOM), design-build-finance-operate-maintain (DBFOM), or solely operations-maintenance (OM) of existing infrastructure. In a DB P3, public partner(s) fund and operate projects with private partner(s) completing design and construction. Public partner(s) also provide funding for DBOMs while private partner(s) cover all design, construction, operations, and maintenance, with private partner(s) also responsible for financing in DBFOMs. Public partner(s) assume revenue risks in DBs and DBOMs while private partner(s) are liable in DBFOMs. OM P3s pass operations and maintenance risks onto the private partner while the public entity retains ownership, with the private partner financing public improvements through beneficial lease agreements.

Table 5.10 Examples of Current Public-Private Partnerships²⁰

Project	Description	P3 Type	Public Partner(s)
LaGuardia Airport Terminal B	A new 840,000-square-foot Terminal B at LaGuardia Airport created in partnership with LaGuardia Gateway Partners LLC, entitled to develop, design, construct, operate, and maintain new Terminal B facilities and to charge, collect, and retain revenues from the operation of such facilities through a 35-year lease that will expire in December 2050.	Design-Build-Finance- Operate-Maintain	Port Authority
TWA Hotel at JFK Airport	Creating a commercial hotel from redeveloping JFK Airport's TWA Flight Center.	Design-Build-Finance- Operate-Maintain	Port Authority
Hudson-Bergen Light Rail	Light Rail lines connecting Bayonne, Jersey City, Hoboken, Weehawken, Union City, and North Bergen.	Design-Build-Operate-Maintain	NJ Transit, NJ DOT, U.S. DOT FTA
Goethals Bridge Replacement ²¹	A new bridge to replace the 85-year old Goethals Bridge operated and tolled by the Port Authority operates who annually pays the concessionaire \$56.6 million in availability payments using pooled Port Authority revenues separate from bridge tolls.	Design-Build-Finance- Maintain	Port Authority
Port Newark Container Terminal	Container operations at the Port Authority's Port Newark Container Terminal uses a concession to govern Ports America's operations at the terminal. Ports America agreed to invest over \$500 million in Port infrastructure to receive a long-term 50-year lease, bringing port rail infrastructure investments and modern Terminal facilities since 2011.	O&M	Port Authority

CORPORATE PARTNERS AND SPONSORSHIPS

Specific to corporations, public agencies can form partnerships or establish sponsorships with companies without official P3 legislation, most often seen through retail concessions and/or advertising agreements to advertise and/or sell products to transportation system users. Companies like OutFront Media and Hudson News lease space within New York City's subway system and rail terminals to advertise and/or sell products to transit customers.

Other types of corporate partnerships can result in capturing revenue from taxes or fees to fund transportation projects or improve existing infrastructure. Corporate partners can levy a tax or fee on employer payroll or business earnings, reserving a portion of staff salaries or corporate earnings for transportation. Businesses like casinos in New Jersey levy taxes on gross payroll or revenues within transit districts to generate revenue, administered by the New Jersey Treasury on behalf of transit district. New Jersey also recently passed the Corporate Transit Fee requiring companies with over \$10 billion of taxable net income to pay 2.5% towards transportation.²²

Companies can also sponsor specific transportation systems, purchasing “naming rights” to advertise across certain transportation assets, like with Citibike, New York City’s public bikeshare system, but federal funds are not used for public/private city-run bikeshare systems. Like formal P3 agreements, establishing corporate partners and sponsorships requires local approval and available private as well as municipal partner(s) alongside coordination with ongoing public approval during any political turnover.

5.5.2 STRATEGIES FOR ENSURING THE AVAILABILITY OF ADDITIONAL FINANCING

Moving Forward 2055 assumes a reasonable amount of future local, state, and federal funding through the planning period based on historical trends and the budget assumptions of the NYMTC member agencies. Alternative financing and funding strategies detailed above present project-based and regionwide opportunities to fund regional transportation which can expand the potential revenue base to meet additional future transportation needs through 2055. The strategic basis for the additional financing and funding strategies identified above is found in *Moving Forward 2055*’s Shared Vision for Regional Mobility as stated in Chapter 1. Specifically, the guiding principles identified by NYMTC’s members as part of their approach to the shared vision include the following:

» **We will seek to use funding for transportation efficiently, no matter its source.**

NYMTC’s members and other regional elected officials must think about regional transportation needs, solutions, strategies, and investment priorities. In developing a Shared Vision for Regional Mobility, NYMTC’s members support the position that these investments and actions are a shared priority and are strategically important to this region and to the nation. Increasing available federal sources while efficiently and effectively leveraging local resources will require collaboration to fully use these numerous methods to improve transportation. *Moving Forward 2055* explores additional funding opportunities from the strategic planning framework with existing uses seen across fiscally-constrained components of the planning process—the TIP and the constrained element of the Plan—demonstrating NYMTC and its members are already using some of these sources to advance system enhancement projects.

ENDNOTES

- ¹ https://www.fhwa.dot.gov/ipd/finance/innovation_profiles/state_infrastructure_banks.aspx
- ² User fees themselves are a financing and funding strategy and are explained further below.
- ³ MTA East Side Access Project Profiles <https://www.transit.dot.gov/foia/metropolitan-transportation-authority-east-side-access>.
- ⁴ The Governor Mario M. Cuomo Bridge also utilized a DBFM P3 project delivery structure and Private Activity Bonds (PABs) as part of the project's financing. <https://www.transportation.gov/buildamerica/projects/project-highlights/goethals-bridge-replacement-project-staten-island-nynj>.
- ⁵ The Moynihan Train Hall was also financed through developer payments as well as contributions from the PANYNJ, MTA, and Amtrak. https://www.fhwa.dot.gov/ipd/project_profiles/ny_moynihan_train_hall.aspx
- ⁶ Staten Island Ferry Terminals Project Profile https://www.fhwa.dot.gov/ipd/project_profiles/ny_staten_island.aspx.
- ⁷ Gateway Tunnel Project Profile <https://www.transportation.gov/buildamerica/projects/hudson-river-tunnel-project-between-new-york-and-new-jersey>.
- ⁸ Formerly the Rebuilding American Infrastructure with Sustainability & Equity (RAISE) program. <https://www.transportation.gov/BUILDgrants>
- ⁹ Funded through the FTA, [Section 5309 Capital Improvement Grants \(CIG\)](#) under the IIJA provides discretionary funds for transit capital investments across heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. Eligible CIG projects fall under one of three types: [1\) New Starts](#), [2\) Small Starts](#), and [3\) Core Capacity](#), each with unique requirements. State governments, local governments, and transit agencies may apply for CIG funding upon completing a series of multi-year steps for each project. The FTA analyzes the justification and financial commitment alongside requirements according to statutory criteria.

Projects seeking Small Starts Grants must cost less than \$400 million to build, seek under \$150 million, and complete Project Development before receiving any CIG funds. New Starts Grants can fund projects exceeding \$400 million and provide over \$150 million of CIG funds. Projects along existing fixed guideways can apply for Core Capacity Grants to increase corridor capacity by at least 10 percent if the corridor is currently at capacity or will reach capacity in 10 years. New Starts and Core Capacity Projects must complete Project Development and Engineering before receiving any CIG funds.

To be awarded a CIG grant, a project must get a "Medium" or better rating in both Project Justification and Local Financial Commitment categories. The Project Justification rating consists of measures for mobility improvements, cost effectiveness, congestion relief, environmental benefits, land use, and economic development. The Local Financial Commitment rating is based on the project sponsor's current financial condition, the commitment of capital and operating funds, and the reasonableness of the financial plan.
- ¹⁰ MTA SBS Project Profile <https://www.transit.dot.gov/funding/grant-programs/capital-investments/woodhaven-boulevard-select-bus-service-capital-investme-0>.
- ¹¹ The U.S. DOT [Better Utilizing Investments to Leverage Development \(BUILD\)](#) discretionary grant program provides money for investments across road, rail, transit, and port projects with goals aligned with national objectives. Surface transportation, intermodal, and/or stormwater runoff projects are also eligible. Transportation planning projects may seek funding for planning, preparation, or design across environmental and/or demographic analyses, community engagement, feasibility studies, benefit cost analysis (BCA), and other pre-construction activities.

Any public entity may apply for [BUILD funding](#), including municipalities, counties, port authorities, tribal governments, or MPOs owning and/or operating transportation infrastructure. Federally owned facilities cannot seek BUILD funding, but funds can be used for non-Federal capital and/or planning projects across roads, bridges, and public

transit. Amounts differ depending on whether funding capital or planning projects and whether projects are in urban or rural areas.

BUILD is more flexible discretionary grant program as funds can be used towards multi-modal and multi-jurisdictional projects but relies on strict merit-based evaluation criteria and projects must demonstrate superior local and regional benefits. Application requirements and processes vary between BUILD Planning or Capital grants. Merit Criteria are used to evaluate projects which includes assessing a project's impact on safety, environmental sustainability, quality of life, mobility and community connectivity, economic competitiveness and opportunity, state of good repair, innovation, and partnership and collaboration. Project benefits are rated "high," "medium," "low," or "non-responsive" depending on data-driven responses.

U.S. DOT also evaluates certain projects through an Economic Analysis and Project Readiness to assess Technical Capacity, conduct a full Environmental Risk Assessment, and assess Financial Completeness. The Economic Analysis assesses the estimated benefit-cost ratio (BCR) and net quantifiable benefits for each project. The Environmental Risk Assessment analyzes likelihood of environmental approvals affecting project obligation. The Financial Completeness Assessment reviews the full funding package for a project to make sure money outside of the BUILD program is committed. The Technical Capacity Assessment evaluates whether applicable Federal Requirements will be satisfied when the project is being implemented.

- ¹² Phase 1 Moynihan Station Funding and Financing. https://railroads.dot.gov/sites/fra.dot.gov/files/fra_net/16927/02%20-%20Moynihan%20Station%20Funding%20and%20Financing.pdf
- ¹³ Vision Zero Safety Improvements. <https://www.nyc.gov/office-of-the-mayor/news/975-23/mayor-adams-nearly-30-million-federal-funding-queens-boulevard-safety-improvements>
- ¹⁴ Fordham Plaza in the Bronx Press Release. <https://www.nyc.gov/html/dot/html/pr2016/pr16-004.shtml>.
- ¹⁵ Hunts Point Terminal <https://www.nyc.gov/office-of-the-mayor/news/670-22/mayor-adams-110-million-federal-grant-hunts-point-terminal-produce-market>.
- ¹⁶ Cross-Harbor Freight Program grants. <https://brooklynreporter.com/2016/07/port-authority-grants-over-10-6-million-to-cross-harbor-freight-program/>.
- ¹⁷ New York State website. April 1, 2019. "Governor Cuomo announces highlights of FY 2020 budget." <https://www.governor.ny.gov/news/governor-cuomo-announces-highlights-fy-2020-budget>
- ¹⁸ Hudson Yard Developers could exceed floor-area-ratio restrictions and build higher if contributing to the infrastructure improvements fund, and these additional density bonuses also helped fund the extension. Density bonuses require strong market conditions to support building more than zoning allows, but these conditions exist across the New York City region, both New York City's boroughs and some suburban municipalities, particularly near transit.
- ¹⁹ Currently, 37 states have enacted P3 legislation. U.S. DOT FHWA. State P3 Legislation. <https://www.fhwa.dot.gov/ipd/p3/legislation/>.
- ²⁰ Dentons. "US Infrastructure: Maximizing the benefits of private participation." <https://impactnyc.org/wp-content/uploads/2019/08/PPP-Infrastructure-whitepaper.pdf>
 U.S. DOT FHWA. Project Profile: Hudson-Bergen Light Rail. https://www.fhwa.dot.gov/ipd/project_profiles/nj_hudson_bergen.aspx
 U.S. DOT FHWA. Project Profile: Goethals Bridge Replacement. https://www.fhwa.dot.gov/ipd/project_profiles/ny_goethals.aspx
- ²¹ The Goethals Bridge also utilized a TIFIA loan as part of the project's financing. <https://www.transportation.gov/buildamerica/projects/project-highlights/goethals-bridge-replacement-project-staten-island-ny-nj>
- ²² New Jersey Division of Taxation. <https://www.nj.gov/treasury/taxation/cbt/corporatetransitfee.shtml>

ADDITIONAL FINANCING AND FUNDING STRATEGIES

#	Financing Option	Type	Description	Revenue Source(s)	Ideal Use(s)	Limitations
1	<i>Debt-Financing Municipal Bond</i> GO Bonds <i>i</i> PABs <i>iii</i> BABs <i>ii</i>	Debt	Raise funds through selling bonds to build or buy equipment repaid with interest over time at market interest rates.	Capital Markets	Capital Projects & Revenue-generating assets	Requires issuer with strong credit rating & stable revenue source to secure debt; repay debt over 30+yrs with interest.
2	<i>Debt-Financing Federal Loan</i> TIFIA <i>iv</i> SIBs <i>vi</i> RRIF <i>v</i> S. 129 <i>vii</i>	Debt	Raise funding at lower than market interest rates & pay less in interest.	Federal Gov.	Capital Projects	Long & competitive process; issuer with strong credit & stable revenue source to secure debt; repay debt over 30+yrs with interest.
3	<i>Discretionary Federal Grant</i> MEGA <i>vii</i> CIG <i>xii</i> RSTP <i>ix</i> BUILD <i>xiii</i> RIA <i>x</i> INFRA <i>xiv</i> CRP <i>xi</i> CRISI <i>xv</i>	Grant	Receive one-time discretionary funding for specific project &/or system upgrade.	Federal &/or Local Gov.	Capital Projects	Lengthy & competitive administrative process to receive funding; limited usage of funds; one-time receipt; local match.
4	<i>Purchase-Based Tax</i> Sales Tax Fuel Tax Hotel Tax Property Tax Cigarette Tax Marijuana Tax Car Rental Tax Real Estate Transfer Tax	Tax	Receive funding from portion(s) of consumer purchases.	Consumer Purchases	General Financing &/or Bond Security	Requires public / legislative approval to administer &/or change; tied to & depends on steady / increasing population & purchase patterns; best to have fixed annual increase at least tied to inflation.

#	Financing Option	Type	Description	Revenue Source(s)	Ideal Use(s)	Limitations
5	<i>Purchase-Based Fee</i> EV Fee License Fee Registration Fee Car Rental Fee	Fee	One-time &/or annual fee specific to purchase &/or credential.	Consumer Purchases	General Financing	Requires public / legislative approval to administer &/or change; depends on steady / increasing population & purchase patterns; fixed annual increase equal to or above inflation.
6	<i>Usage Based Fee</i> Tolls or VMT Fee Truck Ton Mile Fee Transit Fare Utility Fee Congestion Pricing Cordon Pricing Amusement Fee Parking Fee	Fee	Directly charge system users to use system &/or geographic area.	System &/or Area Users	General Financing &/or Bond Security	Limited fee escalation due to income considerations limit increases from being tied to / above inflation; capital infrastructure to implement; ongoing administration necessary to collect fees & address fee evasion; requires steady / increasing travel patterns.
7	<i>Value Capture</i>	Capturing Value		Local District Businesses / Residents	Capital Projects &/or Bond Security	Requires public / legislative approval to administer and/or change as well as extensive forecasting; limited to specific zones / districts.
	Tax Increment Financing (TIF)		TIF revenues fund transportation through projected increased tax revenues resulting from higher property values following infrastructure improvements.			
	Payments In Lieu Of Taxes (PILOTs)		PILOTs are payments made to governments to offset property tax losses from tax-exempt properties.			
	Tax Assessment Districts (TADs)		TADs empower a municipality to charge a tax or surcharge in a specific area to improve infrastructure bringing new development.			
	Transportation Development Districts (TDDs)		TDDs raise funds for specific costs of a project like developing or improving transit services			

#	Financing Option	Type	Description	Revenue Source(s)	Ideal Use(s)	Limitations
8	<i>Public-Private Partnerships</i>	P3	Contracts between governmental entity or public authority & private company to finance, build, operate, &/or maintain a new or existing piece of infrastructure or program sometimes involving user fees to compensate the private entity. Terms vary by project whether a DBOM, DBFOM etc.	Debt & Financial Equity	Capital Projects &/or General Financing	Requires local legislation & available private & municipal partner(s) with consortium to finance & administer concession; need ongoing public / legislative approval amidst political turnover during construction & operations; concessions usually over 30+yrs with fixed availability payments as debt service; no NY P3 legislation, only MTA, NJT, PANYNJ, & NJDOT can do P3s.
9	<i>Corporate Partners & Sponsorships</i> Employer Payroll Tax Business Tax Corporate Transit Fee Corporate Earnings Tax Concessions Advertising	Private Partnership	Employers or businesses like casinos levy taxes on gross payroll or revenues within transit districts to generate revenue, administered by a state revenue agency on behalf of transit district. Lease &/or sale of transportation asset to an external public or private partner to generate additional revenues for transportation agency.	Financial Equity	Capital Projects, New Assets for Existing Systems	Requires local approval & available private as well as municipal partner(s) alongside coordination with ongoing public / legislative approval amidst political turnover; Citibike is an example of naming rights with a private corporate sponsor, but federal funds are not used for public / private city run bikeshare systems.

i **GO Bonds** – General Obligation (GO) Bonds are issued by governments to raise general funds to finance various projects which are repaid through general tax revenues.

ii **BABs** – Build America Bonds (BABs) are issued by governments through the US Treasury to raise funds to finance surface transportation projects before January 1, 2011.

iii **PABs** – Private Activity Bonds (PABs) are issued through USDOT on behalf of a private entity involved in a P3. State DOTs in a P3 apply for PABs to finance P3 surface transportation projects with the private developer(s) responsible to repay the debt.

iv [TIFIA](#) – Transportation Infrastructure Finance & Innovation Act (TIFIA) Loans provide government entities low interest government loans to fund shovel-ready transportation projects which must be repaid by a secure dedicated revenue source.

v [RRIF](#) – Railroad Rehabilitation & Improvement Financing (RRIF) Loans provide railroads & government entities low interest government loans to fund railroad infrastructure projects across track, facilities, planning, & capital projects or refinance existing debt.

vi [SIB](#) – State Infrastructure Banks (SIBs) are run by state governments to provide low interest loans & credit assistance for highway construction projects, transit capital projects, & railroad projects receiving matching state funds to help attract private investors.

vii [S.129](#) – Section 129 Loans provide state governments low interest loans to fund transportation projects with fewer requirements than SIB loans & negotiable interest rate terms but funds must be repaid through a dedicated revenue stream.

viii [MEGA](#) – MEGA Grants are awarded to government entities through the Multimodal Project Discretionary Grant (MPDG) program to fund surface transportation projects across federal highways, bridges, ports, intercity rail, freight rail, & public transportation.

ix [RTSP](#) – Rural Surface Transportation Program (RTSP) Grants are awarded to government entities to fund surface transportation projects across federal highways, bridges, ports, intercity rail, freight rail, & public transportation, including highway safety projects, agricultural access roads, & various transportation demand management systems.

x [RIA](#) – Regional Infrastructure Accelerators (RIA) Program provides additional funding to governments for technical resources, planning, & project development to expedite regional transportation infrastructure P3 projects using the same requirements as TIFIA loans.

xi [CRP](#) – Carbon Reduction Program (CRP) provides governments funding to assist achieving state carbon reduction strategies & fund projects to reduce transportation CO2 emissions, including traffic management, public transportation, pedestrian facilities, alternative fuels, & port electrification.

xii [CIG](#) – Capital Investment Grants (CIG) are awarded to government entities from the FTA to fund transit capital investments across heavy rail, commuter rail, light rail, streetcars, & BRT.

xiii [BUILD](#) - Better Utilizing Investments to Leverage Development (BUILD) Grants are awarded to government entities from USDOT to fund surface transportation infrastructure projects with significant local or regional impact.

xiv [INFRA](#) - INFRA Grants are awarded to government entities from USDOT through the Nationally Significant Multimodal Freight & Highway Projects program to fund nationally significant multimodal freight & highway projects that improve safety, efficiency, & reliability across freight & people movement in & across rural & urban areas.

xv [CRISI](#) - Consolidated Rail Infrastructure & Safety Improvements (CRISI) Program grants are awarded to government or academic entities or private railroads from the FRA to help fund railroad projects across capital improvements, safety enhancements, congestion relief, road crossings, corridor studies, workforce training programs, or environmental mitigation work.