



INVESTING IN INFRASTRUCTURE

\$100 BILLION INFRASTRUCTURE PLAN IS REBUILDING NEW YORK

\$29.2 BILLION



INVESTMENT IN ROADS AND BRIDGES

\$2.5 BILLION



CLEAN WATER INFRASTRUCTURE ACT

\$900 MILLION



FOR STATE PARKS

\$29.9 BILLION



MTA CAPITAL PLAN

\$1 BILLION



FOR BROADBAND

\$600 MILLION



FOR LIFE SCIENCES
PUBLIC HEALTH LABORATORY

\$20 BILLION



FOR HOUSING AND HOMELESSNESS

\$2.6 BILLION



HOSPITAL RESTRUCTURING

...and many more projects
in every region of New York.

Budget Highlights

\$100 Billion Infrastructure Plan Bolstered with New Investments. The unprecedented plan to invest \$100 billion, launched in FY 2017, is well underway and the FY 2019 Budget includes additional resources for new projects.

Support the MTA Subway Action Plan. The Budget includes capital and operating support to fully fund the State's half of the \$836 million MTA Subway Action Plan to address system failures, breakdowns, delays and deteriorating customer service, and position the system for future modernization.

Life Sciences Public Health Laboratory. The Budget includes \$600 million to support construction of a life sciences public health laboratory. It is anticipated that the new, world class state-of-art lab will attract private partners for collaborative research and development projects.

Clean Water Infrastructure. Continue funding for the unprecedented \$2.5 billion Clean Water Infrastructure Act to support drinking water, wastewater, and source water protection initiatives.

The Executive Budget continues Governor Cuomo's ambitious plan to rebuild New York's infrastructure. The plan to invest more than \$100 billion, launched just two years ago, is well underway and the FY 2019 Budget includes additional resources for new transformational projects that will position every region of the State for growth, including investments to support the stabilization and modernization of the New York City subway system and the creation of a life sciences public health laboratory.

Overview

Governor Cuomo is delivering on his historic investment in New York State's infrastructure. In partnership with public authorities, and local and Federal governments, \$100 billion is being invested in infrastructure projects across New York to promote economic development, create jobs, and expand opportunity. These investments are enabling New York to rebuild and modernize its roads, bridges, broadband networks, public buildings, and other critical infrastructure across the State while putting thousands of people to work.

At the same time, Governor Cuomo has jumpstarted long-stalled or long-overdue projects, such as the replacement of the Tappan Zee Bridge, the redevelopment of LaGuardia and JFK Airports, the Gateway Tunnel Project between New York and New Jersey, and the Penn-Farley Station project. After decades of starts and stops, the Second Avenue Subway is open for business, achieving the system's first major expansion in more than 50 years.

Governor Cuomo has ensured that these investments are financed responsibly, maintaining an affordable infrastructure plan that will not overburden future taxpayers. For the first time in modern history, outstanding State debt dropped for five consecutive years (FY 2013 through FY 2017) and State debt remains lower than before the Governor took office.

Major Infrastructure Investments

Governor Cuomo has made infrastructure a priority. In the last several years, major investments include:

- **MTA Capital Commitment.** The 2015-2019 MTA transit capital plan will support \$29.9 billion in investments, funded from multiple sources, including Governor Cuomo’s commitment – now law – of \$8.6 billion in State resources. It is the most ambitious plan in the authority’s history, and the State’s contribution to the plan is, by far, the largest ever. In addition, this year’s budget provides additional funding to the MTA to support implementation of the Subway Action Plan to stabilize and improve the system and lay the foundation for modernizing the New York City Subway.
- **Transportation.** The State continues to fund the \$29.2 billion capital plan to preserve and upgrade roads, bridges, airports, and other vital transportation infrastructure throughout the State – the largest transportation plan ever enacted in New York State. The plan includes funding for the Tappan Zee replacement project. Following decades of inaction, construction of the new Mario M. Cuomo Bridge is well underway and remains on budget. The westbound span of the bridge opened to traffic August 2017, and the eastbound span is scheduled to open on time in 2018.
- **Affordable and Homeless Housing Capital Plan.** The State is investing \$20 billion in a comprehensive, five-year plan for affordable and homeless housing to ensure New Yorkers who are homeless or at risk of homelessness have safe and secure housing. The program will create or preserve more than 100,000 affordable housing units and 6,000 supportive housing units.
- **Gateway Tunnel Project.** The rail tunnels under the Hudson River used by Amtrak play a critical role as the connection for New England rail traffic to the rest of the eastern seaboard, giving this project national significance. These aging tunnels were seriously damaged by Superstorm Sandy, and are in dire need of repair and expansion to increase capacity. The plan, which includes funding commitments from New York

Performance Profile

Creating Jobs. The MTA and DOT capital programs are projected to create more than 130,000 jobs.

Lowering Debt. Governor Cuomo’s disciplined approach has lowered outstanding debt for five years in a row, a first in modern State history. State debt is lower today than when the Governor took office.

Expanding Broadband. The State’s partnership with the private sector has addressed broadband access to 2.3 million homes and expanded broadband access to over 98 percent of New Yorkers.

Completing Long-Stalled Projects. The Mario M. Cuomo Bridge, the replacement for the obsolete Tappan Zee Bridge is already accepting Westchester-bound traffic. The project is on-budget and on-schedule for completion in 2018.

Expanding Parkland. As part of Parks 2020, the State is transforming the former Pennsylvania and Fountain Avenue landfills into a 407-acre State Park on the shores of Jamaica Bay, creating the largest State Park in all of New York City with 3.5 miles of paths and trails.

State and the State of New Jersey, would revitalize existing rails and tunnels, and add a new, two-track tunnel under the Hudson River. While recent statements by the Federal Transit Administration suggest that the Federal government may not live up to its \$7 billion commitment to the \$13 billion project, discussions on this vital project are ongoing.

- **New John F. Kennedy Airport and LaGuardia Master Plans.** In FY 2018, the Governor announced the release of a Request for Proposals for preliminary engineering and design for the as much as \$10 billion redevelopment of John F. Kennedy International Airport. The RFP was a significant step towards implementing the Governor's plan to transform JFK Airport into a 21st Century transportation hub. The plan includes a State investment of \$1.5 billion to improve roadway access to JFK by eliminating traffic bottlenecks at the Kew Gardens interchange, and increasing traffic capacity on the Van Wyck Expressway. Phases I and II of the Kew Gardens Interchange in central Queens are complete. These two critical steps will facilitate the transformation of JFK into a unified, world-class airport that accommodates expected growth in traveler demand. The LaGuardia initiative will transform the antiquated LaGuardia Airport into a single, structurally unified main terminal with expanded transportation access, significantly increased taxiway space and best-in-class passenger amenities.
- **Empire Station.** The State is investing \$700 million to leverage a total of \$3 billion, including private sector and Federal partners, for the transformation of the James A. Farley Post Office building into the Moynihan Train Hall. Combined with extensive renovations at the existing Penn Station, this will create a new Empire Station. In FY 2018, the Governor opened the expanded West End Concourse at Penn Station. The new, state-of-the-art concourse provides direct access to 17 of the station's 21 tracks for LIRR commuters and intercity rail passengers, and offers an underground connection between the future Moynihan Train Hall and Penn Station via 33rd Street with a direct link to the 8th Avenue Subway (A/C/E). The opening of the West End Concourse completes the first phase of the transformational redesign of Penn Station, the nation's busiest transportation facility, to a fully modernized, world-class transit hub for the 21st Century.
- **Hospital Restructuring.** The State is funding a \$2.6 billion Hospital Restructuring and Reinvestment initiative to improve the financial viability and efficiency of the State's health care delivery system. Funding is available for general hospitals, residential health care facilities, diagnostic and treatment centers, clinics licensed pursuant to public health or mental hygiene law, assisted living programs, primary care and home care providers.
- **New NY Broadband.** Access to broadband is a vital resource critically important to the future of the State's economy, and the education and safety of New Yorkers. The State is partnering with private industry and using a minimum match of 1:1 that will result in a combined investment of more than \$1 billion for the Governor's "Broadband for All" initiative, which is expanding availability and capacity of broadband across the State. Since its launch in FY 2016, the State and its private sector partners have addressed 2.3 million homes and expanded broadband access to over 98 percent of New Yorkers through two rounds of awards. In the coming year, the Governor will announce a third round of awards that will address the remaining 2 percent by connecting approximately 120,000 locations.

- **Parks 2020.** The State is making a multi-year capital investment of \$900 million to fund capital rehabilitation and improvement of State parks and historic sites, more than triple the investment from prior administrations. The effort helped spur a record 69 million visitors to New York State Parks in 2016. The Executive Budget allocates \$90 million in New York Works capital funding to the Office of Parks, Recreation and Historic Preservation. As part of Parks 2020, the State will invest \$15 million to transform the former Pennsylvania and Fountain Avenue landfills into a 407-acre State Park on the shores of Jamaica Bay, creating the largest State Park in all of New York City with 3.5 miles of paths and trails.
- **Clean Water Infrastructure Act.** In FY 2018, the Governor signed the Clean Water Infrastructure Act, a historic five-year \$2.5 billion investment in drinking water infrastructure and source water protection actions that will enhance communities' health and wellness. These funds will be expended via locally based construction projects that will result in improved and safer municipal drinking water distribution, filtration systems, and wastewater treatment infrastructure all while creating jobs.
- **Renewable Energy.** In FY 2018, the New York State Energy Research and Development Authority (NYSERDA) committed to providing \$360 million that will leverage \$1 billion of Private Sector investment in 11 large scale renewable energy projects across the State involving clean technologies like wind, solar, fuel cell, and hydroelectric power. This will be the largest single State investment at one time, and an increase of \$210 million over recent awards. By 2020 NYSERDA expects to support 35 additional renewable projects, which will result in more than \$4 billion in additional private sector investment in this vital industry. To position New York as the leading offshore wind market in the United States and to drive competition, reduce costs, and create high quality jobs in this emerging industry, Governor Cuomo is calling for New York State to procure at least 800 megawatts of offshore wind power between two solicitations to be issued in 2018 and 2019. This would result in enough clean, renewable energy to power 400,000 New York households.

New Infrastructure Investments

With the FY 2019 Executive Budget, Governor Cuomo continues his commitment to infrastructure with new projects that build, rebuild, or revitalize capital assets across the State. Major initiatives include the following:

- **Economic Development.** The Budget provides \$750 million in Economic Development grant moneys across a number of valuable programs, including Regional Economic Development Council (REDC) Round VIII, a third round of Downtown Revitalization Initiative and support for a wide array of investments in high technology, infrastructure and manufacturing. These grant programs incentivize local private sector investments that stimulate and strengthen local economies and create jobs across the State.
- **Life Sciences Initiative.** Building on last year's \$620 million statewide life sciences initiative and initial investment in a life science public health laboratory, New York is now strategically positioned to become a global powerhouse in the life science sector, with significant untapped

potential to commercialize research and translate it into private sector economic impact. To fully realize this potential, the Executive Budget includes \$600 million to support construction of a world-class, state-of-the-art life sciences public health laboratory in the Capital District that will promote collaborative public/private research and development partnerships.

- **MTA Subway Action Plan.** The Budget includes \$174 million in capital funding, in addition to operating support, to the MTA to advance the MTA Subway Action Plan to stabilize and improve the system and lay the foundation for modernizing the New York City Subway. Stabilization actions include expedited signal and track repair, overhauling digital communication protocols and assets to improve customer experience, and stepping up repair and renovation efforts on the subway car fleet. Modernization efforts will begin with the introduction of a long-term plan that will include better subway cars, a new signaling system, and modern communications technology.
- **Hudson River Park.** The Budget includes \$50 million in capital funding for the Hudson River Park, which will help fulfill the Governor's commitment to complete the park, in partnership with New York City. This funding continues the Governor's support for the park, which has received annual funding for redevelopment and infrastructure repairs. Encompassing over 500 acres and stretching 4.5 miles along Manhattan's West Side, the park is currently 77 percent complete.
- **Olympic Regional Development Authority (ORDA) Capital Improvements.** The Budget includes \$62.5 million in new capital funding for ORDA, including \$50 million for a strategic upgrade and modernization plan to support improvements to the Olympic facilities and ski resorts, \$10 million for critical maintenance and energy efficiency upgrades, and \$2.5 million appropriated from the Office of Parks, Recreation and Historic Preservation budget as part of the New York Works initiative.

Assuring Affordability through Effective Capital Management

The \$100 billion infrastructure plan is funded from multiple sources, including State, Federal, public authorities, local governments, and private enterprise.

Governor Cuomo has used a disciplined approach to controlling and targeting new borrowing to keep debt service affordable and within the State's debt limit. This effective management of State debt has enabled delivery on an affordable infrastructure plan. This is evidenced in the improving debt metrics that are used to measure debt affordability, specifically:

- State-related debt outstanding declined for five consecutive years, FY 2013 through FY 2017. This marks the first time in modern history that New York has achieved this result. During the five-year period, debt declined from \$56.4 billion to \$50.7 billion. At the end of FY 2018, debt is still expected to be below when the Governor took office.

- State-related debt outstanding as a percentage of personal income declined from 5.9 percent in FY 2011 (Governor Cuomo's first year) to 4.3 percent in FY 2017, and is expected to decrease to 4.1 percent by 2023.
- Debt service costs have ranged from \$5.6 billion to \$6 billion from FY 2011 through FY 2019 (estimated), after adjusting for debt service prepayments. This represents a stable growth rate of 0.8 percent, well below the historical growth rate in debt service costs and below inflation. Debt service growth from FY 2011 through FY 2023 is projected at 2.2 percent.

