



### \$100 BILLION INFRASTRUCTURE PLAN IS UNDERWAY

- ✓ Mario M. Cuomo Bridge
- ✓ Water Infrastructure
- ✓ Upstate Roads
- ✓ 2nd Avenue Subway
- ✓ Airport Reconstruction
- ✓ Statewide Broadband
- ✓ Downtown Revitalizations
- ✓ MTA Capital Plan
- ✓ State Parks
- ✓ Housing

### Launch **NEW \$150 billion** infrastructure plan

**\$66 BILLION**



#### INVESTMENT IN TRANSPORTATION

including mass transit, railroads, airports, highways, and bridges and tunnels.

**\$32 BILLION**



#### INVESTMENT IN THE ENVIRONMENT

improving environmental facilities, parks, and creating a cleaner, greener energy

**\$11 BILLION**



#### FOR ECONOMIC AND COMMUNITY DEVELOPMENT

in every region of New York State.

**\$9 BILLION**



#### SAFE, SECURE AND AFFORDABLE HOUSING

for the people of New York State

**\$19 BILLION**



#### INVESTMENT IN SCHOOL DISTRICTS

to help build new and better school buildings - creating learning spaces of the 21st century.

**\$13 BILLION**



#### STATEWIDE INVESTMENTS

for SUNY and CUNY buildings, the state's health care facilities and other capital assets.

## Budget Highlights

**Launch New \$150 Billion Infrastructure Plan.** The Executive Budget supports the Governor's new \$150 billion, five-year infrastructure plan that will rebuild mass transit systems, construct affordable housing, build new schools, and support a sustainable energy future.

**Delivering on the \$100 Billion Infrastructure Plan.** The Governor's \$100 billion plan, launched in FY 2017, is delivering modern infrastructure and major projects across the State.

**Support the MTA Subway Action Plan.** In 2018, the Governor honored his commitment to fully fund the State's share of the \$836 million MTA Subway Action Plan.

**Double Clean Water Infrastructure Investment.** Building upon the already-unprecedented \$2.5 billion Clean Water Infrastructure Act, this year, the Budget commits to making an additional \$2.5 billion investment to support drinking water and wastewater infrastructure, and source water protection initiatives.

The FY 2020 Executive Budget continues Governor Cuomo's ambitious effort to rebuild New York's infrastructure. The plan to invest more than \$100 billion, launched just three years ago, is well underway and boasts notable accomplishments. Further, the Executive Budget supports the first year of the Governor's five-year \$150 billion infrastructure plan to rebuild transportation and mass transit systems, and make critical investments in the social infrastructure — educational, health care, environmental, and community facilities — that make New York State a better place to live, work and learn. The investment in infrastructure is modernizing the State, creating jobs, and improving the State's competitiveness for the 21<sup>st</sup> century economy.

## Overview

Governor Cuomo is delivering on his historic investment in infrastructure. New Yorkers are already benefiting from the capital assets funded through the current \$100 billion infrastructure plan, from the Mario Cuomo Bridge, to the 2nd Avenue Subway, to downtown revitalizations and water infrastructure projects all across the state. These projects are supporting the creation of approximately 450,000 jobs and contribute New York's all-time high job count.

Long-stalled or long-overdue projects, such as the redevelopment of LaGuardia and JFK airports and the Penn-Farley Station project have been jumpstarted.

Importantly, Governor Cuomo ensured that these investments are financed responsibly. Working in partnership with public authorities, local and Federal governments, and private enterprise, the State is 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.

## \$150 Billion, Five-Year Infrastructure Plan

The Executive Budget supports the Governor's new \$150 billion, five-year infrastructure plan that will rebuild transportation and mass transit systems, construct safe and secure affordable

housing, drive economic and community development, build new and better school buildings for the 21<sup>st</sup> century learning, create new environmental and park facilities, support a sustainable energy future, and generate 675,000 jobs.

The plan builds on the Governor's \$100 billion infrastructure program, which is already underway and includes the Mario Cuomo Bridge, the reimagining of John F. Kennedy and LaGuardia Airports, an historic commitment to the MTA Capital Plan, downtown revitalizations, and water infrastructure projects across the State.

The new \$150 billion plan includes:

- \$66 billion for transportation, including mass transit, railroads, airports, highways, and bridges and tunnels across the state to create the infrastructure system that will support economic growth through the 21st century.
- \$32 billion for improving environmental facilities, rebuilding our parks, and creating a cleaner, greener energy future.
- \$11 billion for economic and community development to support regional strategies, attract private sector investment and create jobs.
- \$9 billion to further the state's investment in the construction of quality, safe, secure and affordable housing for the people of New York.
- \$19 billion to help school districts build new and better school buildings – creating learning spaces of the 21st century.
- \$13 billion to improve and maintain SUNY and CUNY buildings, the state's health care facilities and other capital assets.

## Performance Profile

**Creating Jobs.** The MTA and DOT capital programs are projected to create roughly 225,000 jobs.

### **Debt Management.**

Governor Cuomo has used a disciplined approach to controlling new borrowing to keep debt service affordable and within the State's debt limit. Effective management of State debt has enabled delivery on an affordable infrastructure plan.

### **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 99.9 percent of New Yorkers.

### **Completing Long-Stalled Projects.**

The Mario M. Cuomo Bridge, the replacement for the obsolete Tappan Zee Bridge, is now open to all traffic. The westbound span of the bridge opened to traffic August 2017, and the eastbound span opened on schedule, September 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. The Shirley Chisolm Park will be the largest State Park in all of New York City with 3.5 miles of paths and trails.

## Major Infrastructure Investments

Governor Cuomo has made infrastructure a priority. Major projects with continued or added support from the FY 2020 Executive Budget include:

- **MTA Capital Plan.** The 2015-2019 MTA transit capital plan is supporting \$30.3 billion in investments, funded from multiple sources, including Governor Cuomo's commitment, which is now law and backed by \$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.
- **Congestion Pricing.** In addition to existing funding for the MTA's capital plan, the FY 2020 Executive Budget advances congestion pricing, which would create an additional toll on vehicles that travel into Manhattan at 60<sup>th</sup> Street or below. This creates a dedicated revenue stream for the MTA to assist in funding its capital program. Congestion pricing will also mitigate severe traffic congestion in NYC.
- **Transportation Capital Plan.** The State continues to fund the \$29.3 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.
- **Affordable and Homeless Housing Capital Plan.** The State continues its \$20 billion investment in a comprehensive, five-year plan for affordable and homeless housing and services 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 State and the State of New Jersey, would revitalize existing rails and tunnels, and add a new, two-track tunnel under the Hudson River. The Federal Transit Administration has yet to commit to its projected share of this project (\$6.35 billion).
- **Transformed John F. Kennedy Airport.** In October 2018, the Governor announced a historic \$13 billion plan to transform John F. Kennedy International Airport (JFK) into a modern, 21<sup>st</sup> century airport that calls for an overhaul of the airport's eight disparate terminals sites into one unified JFK Airport by demolishing old terminals, utilizing vacant space, and modernizing on-airport infrastructure, while incorporating the latest in passenger amenities and technological innovations. The record investment includes \$12 billion in private sector funding, and will increase the airport's capacity by at least 15 million passengers annually.

- **A New LaGuardia Airport.** In 2018, the Governor officially opened the first new gates in LaGuardia Airport's Terminal B, part of the \$8 billion transformation of the airport into a unified 21<sup>st</sup> century terminal system that will provide a world-class passenger experience. When completed, the new 2.7 million square-foot airport will be the first new airport built in the U.S. in more than 25 years. The new LaGuardia will also be better connected to transit. In September 2018, the Port Authority commenced the formal environmental review for the proposed AirTrain LGA, which would provide a critical link to the airport at Willets Point via the Long Island Railroad and the 7 subway line. In July, the Governor opened a new flyover to LaGuardia from the Grand Central Parkway's Eastbound Exit 7, the first and most important of 26 new bridges to improve airport traffic flow. Overall, the redevelopment of LaGuardia is expected to create a combined \$10 billion in economic activity.
- **Empire Station.** The State is investing \$700 million to leverage a total of \$3 billion, including from 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 September 2018, the Governor announced the completion of the structure for a midblock skylight as the train hall moves toward substantial completion by the end of 2020. This builds on progress made in FY 2018, when 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 \$3.8 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 Wadsworth Lab in the City of Albany.** The Budget supports a \$750 million State commitment for construction of a new, world-class, state-of-the-art public health laboratory to replace the Wadsworth Center's aging facilities. Redesignated as "A Lab for the 21st Century," the new facility, to be located on Albany's W. Averell Harriman Campus, will function as a magnet for future private sector investments and public-private collaboration, accelerating innovation and value creation.

The lab is being developed as part of New York State's initiative to spur the growth of a world-class life science research cluster in New York, as well as expand the state's ability to commercialize this research and grow the economy. A premier biomedical institute and one of the world's largest public health research laboratories, the Wadsworth Center merges clinical and environmental testing with fundamental, applied and translational



research. It plays a vital role in the Department of Health's work to protect and promote the health of all New Yorkers.

- **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's partnership with private industry, using a minimum match of 1:1, resulted in a combined investment of more than \$1 billion for the Governor's "Broadband for All" initiative, which expanded availability and capacity of broadband across the State. In 2018, 'last mile' public/private broadband investment of \$341 million brought this critical project to completion, expanding broadband access to a total of 2.42 million homes, or 99.9 percent of New Yorkers.
- **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 71 million visitors to New York State Parks in 2017. The Executive Budget allocates \$110 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 \$20 million, bringing the State's total investment to \$40 million, to complete the transformation of the former Pennsylvania and Fountain Avenue landfills into the new, 407-acre "Shirley Chisholm State Park" on the shores of Jamaica Bay. This endeavor creates the largest State Park in all of New York City with 3.5 miles of paths and trails. This year's investments targets projects such as a new amphitheater, lawn patios and overlooks, kayak launches, and comfort stations.
- **Clean Water Infrastructure.** 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.

This year, the Governor is committing to making an additional \$2.5 billion investment in drinking water infrastructure, wastewater infrastructure, and water quality protection, effectively doubling the state's investment in clean water over the next five years. 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 November 2018, the Governor issued a comprehensive solicitation seeking 800 megawatts or more of new offshore wind projects for New York, kicking off competition for New York State's first large-scale offshore wind development contracts, an initial step toward its goal of 2,400 megawatts of offshore wind by 2030 to combat climate change. It marked an important new chapter in New York's nation-leading offshore wind planning efforts that will – in addition to providing clean, renewable energy – reduce costs, and create high quality jobs in this emerging industry.

## New Infrastructure Investments

With the FY 2020 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 \$905 million in Economic Development grant moneys across a number of valuable programs, including Regional Economic Development Council (REDC) Round IX, a fourth 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.
- **Hudson River Park.** The Budget includes \$23 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 \$82.5 million in new capital funding for ORDA, including \$70 million for a strategic upgrade and modernization plan to support improvements to the Olympic facilities and ski resorts. Such improvements will not only serve to attract more visitors to these destinations, but also well-position Lake Placid to host the coveted 2023 World University Games. Funding of \$10 million is provided 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, and the new \$150 billion infrastructure plan, are 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. Effective management of State debt has enabled delivery on an affordable infrastructure plans. 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 2019, 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 4.0 percent in FY 2018 and is expected to increase to 4.1 percent by 2024.
- Debt service costs have ranged from \$5.6 billion to \$6.5 billion from FY 2011 through FY 2020 (estimated), after adjusting for debt service prepayments. This represents a stable growth rate of 1.6 percent, below the historical growth rate in debt service costs. Debt service growth from FY 2011 through FY 2024 is projected at 2.3 percent.

Throughout his administration, Governor Cuomo has consistently improved the State's capital planning process by requiring agencies to establish processes that are efficient, outcome-focused and properly safeguarded to ensure public money is spent with integrity. This effort continues in the FY 2020 Executive Budget with the following process improvements:

- Expanding the design-build authorization to additional State agencies and authorities to foster innovative and cost-effective solutions,
- Developing a Capital Projects Database that facilitates monitoring of capital projects statewide and require agencies to be more accountable for delivering their capital projects in the most timely and costs effective manner, and
- Requiring OGS to implement an optimization plan for both State owned and leased space. An initial 5-year investment (FY 18 - FY 22) in rehabilitating State-owned buildings through the annual funding of the Office Space Optimization Plan will result in a net savings of approximately \$20 million after 10 years, with additional savings in perpetuity.