

PLANNING IN TIMES OF ECONOMIC UNCERTAINTY

MARCH 2011 ANNUAL REPORT



About NYMTC

The New York Metropolitan Transportation Council (NYMTC) is a regional council of governments that is the metropolitan planning organization for New York City, Long Island and the lower Hudson Valley. NYMTC provides a collaborative planning forum to address transportation-related issues, develops regional plans and makes decisions on the use of Federal transportation funds.

The NYMTC planning area covers 2,440 square miles, with a population of approximately 12.4 million people in 4.8 million households, or about 65 percent of the New York State population in 2009.



NYMTC's Mission

- To serve as the collaborative forum to address transportation-related issues from a regional perspective;
- To facilitate informed decision-making within the Council by providing sound technical advice;
- To ensure the region is positioned to capture the maximum Federal funds available to achieve the goals of the Unified Planning Work Program, Regional Transportation Plan and Transportation Improvement Program; and
- To focus the collective planning activities of all Council members to achieve a shared regional vision.



Overview

The tri-state metropolitan area is home to close to twenty million people and an enormous amount of economic activity and opportunity, supported by one of the most complex, interconnected, and far-reaching regional transportation networks in the world. This vast and aging transportation system is a critical foundation of the region's economic vitality, ensuring that people and goods can get where they need to go to support all aspects of life and business. Maintaining and improving this network of transportation facilities and services to meet current and future demands is key to the region's economic sustainability and overall livability.

On a typical weekday, the region's multimodal transportation system carries more than 28 million travelers and thousands of tons of freight shipments moving into, out of and through the region. The volumes of passengers and freight are expected to increase rather dramatically over the next 25 years. Given the anticipated growth, NYMTC's member agencies will be challenged to further integrate and enhance this system to respond to the needs of the people and businesses that rely on its roads, bridges and transit services.

The national recession that began in 2007 and is widely acknowledged to have ended in 2009 is

still having a great impact on governments and transportation service providers. Revenues have fallen considerably, while costs continue to rise. NYMTC's members face difficult decisions involving taxes, user fees, staffing, the condition of the transportation infrastructure they maintain, and the levels of the transportation services they provide.

Severe budgetary shortfalls have forced NYMTC's members to redefine and protect core aspects of their transportation responsibilities, while deferring more discretionary services and improvements. In order to meet the region's immediate demands, they have had to reconsider capital projects in the short-term, often opting for less ambitious improvements, and formulate operational innovations.

This situation has made planning for the region's future needs more challenging. Yet despite these times of economic uncertainty, NYMTC's members know that there are consequences of not planning for the future – declining infrastructure conditions, increased project costs and delays, reduced transportation capacity and service, environmental impacts, and issues surrounding safety and security. They know that these are outcomes the region cannot afford.





A Shared Vision

The members of NYMTC agree that maintaining and operating the transportation network in a state-of-good-repair both now and into the future is critical to the economic viability of the region. This vital need led them to develop *A Shared Vision for A Shared Future*, their long-term, consensus vision for the transportation system and the region that it serves that is a key component of NYMTC’s 2010-2035 Regional Transportation Plan.

The Plan identifies a variety of overarching issues – including changes in people’s lifestyles and the makeup of the workforce; economic innovation and technology-driven changes; globalization and accompanying security issues; energy and climate change; and finance – that are all intertwined with demand for passenger travel and goods movement. Its shared vision for addressing these issues rests on a set of common goals that lay the foundation for the region’s decision-making framework: enhance the regional environment; improve the regional quality of life; provide convenient, flexible transportation access within the region; and build the case for obtaining resources to implement regional investments. A centerpiece of the Plan’s vision is a set of strategic transportation investments that NYMTC’s members agree are critical to the region’s long-term economic health and sustainability. In addition to the strategic transportation investments and the shared goals, the Plan also identifies 10 desired growth areas that represent the members’ consensus vision

for guiding future growth and development. The envisioned strategic investments are integrated with the areas of desired growth to maximize the impact and efficiency of the investments.

Long-term planning is critical to implementing this vision for sustainable regional growth. If the members can transform their vision into actions and viable projects that make transportation in the region more effective and efficient, they can enhance economic vitality, the environment and quality-of-life in the long-term, and address the overarching issues identified in the Plan.

Achieving the vision will be daunting. The worst economic downturn in nearly eight decades has transformed the fiscal realities that face New York State, its municipal and county governments, and its public authorities, while funding uncertainties created by the lack of new transportation authorizing legislation at the Federal level and the growing national budget deficit have necessitated a re-evaluation of planning priorities for the short, medium, and long-term.

Forecasting the Future

When the member agencies come together as NYMTC, they use their combined resources and expertise to try and anticipate what the future will bring over the next two-to-three decades. How many people will reside in NYMTC’s planning area? How many jobs will be available to them? How much will they travel? Where and by what



mode? How will this travel affect levels of pollution? These are the key questions to be answered and the key assumptions to be made as a basis for regional planning.

Federal requirements direct metropolitan planning organizations such as NYMTC to prepare and adopt long-range socio-economic forecasts for their regions for use in transportation planning. NYMTC produces new socio-economic, demographic, travel and congestion forecasts when it develops its regional transportation plans, which by Federal regulations are required every four years. The forecasts in the current Plan, which underlie NYMTC's planning process, predict significant growth in population, employment and travel for the region.

As defined in the Plan, population in NYMTC's planning area is expected to increase by 15 percent, from approximately 12.5 million people in 2010 to about 14.4 million by 2035. At the same time, the number of jobs is expected to increase by 20 percent, or about 1.5 million from 2010 - 2035. The size of the labor force is projected to increase at a slower rate than the number of jobs, growing from 6.3 million to 7.1 million workers between 2010 and 2035, pointing to a continued reliance on New Jersey, Southwestern Connecticut and other places to supply workers to firms located within the NYMTC region.

Total daily travel is forecast to increase from 28.2 million in 2010 to 31.2 million in 2035, or 10.7 percent. Daily transit trips are expected to in-





increase 21 percent, from 9.6 million to 11.6 million; daily auto trips from 18.6 million to 19.6 million, a 5.4 percent increase.

The forecasts in NYMTC’s current Plan were being finalized just as the economic downturn was beginning. By the time of the adoption of the Plan in September 2009, the unusual depth of the recession had become apparent. It remains unclear how or if the economic downturn will affect the long-range forecasts of growth in population, jobs, and economic activity, and attendant growth in travel. It is clear that there are real challenges to balancing the long-term needs of maintaining and improving the region’s gargantuan transportation system with the fiscal realities of today.

Maintaining a Long-Term Vision

NYMTC’s Regional Transportation Plan lays out the region’s transportation needs and desires through a 2035 horizon year. It includes a fiscally-constrained element that lists projects for which funding has been identified within resources projected to be available over the long-term. It also incorporates conceptual vision projects that include many of the strategic transportation investments that are critical for accommodating projected growth, but which have not yet been fully defined.

Transportation funding comes to NYMTC’s planning area from a variety of sources at the Federal, state and local levels, including from tax revenues, user fees and debt financing. These funds pay for capital improvements, state-of-good-repair, maintenance and operations, and when available, for system enhancements and expansion.

The long-range financial assessment in the 2010-2035 Plan clearly demonstrates the enormous level of resources that will be consumed in maintaining and operating the extensive transportation network in the NYMTC region. Over 90 percent of the financial resources projected to be available over the period of the Plan will be used to maintain and operate the transportation system, leaving a much smaller amount of expected revenue available for improvements and capacity expansion – far less than what is needed to turn the Plan’s strategic investments into a reality. It is clear that additional sources of revenue will need to be developed and implemented during the period of the Plan to fund the envisioned system expansion and improvements.

The foundation of the system expansion is a set of large, regional-scale investments that have previously been adopted into the Plan’s fiscally-constrained element. These projects mark the first significant expansion of the transportation system in decades: all four phases of the Second Avenue



Subway on the east side of Manhattan; the extension of the # 7 subway line to the far west side of Manhattan; and MTA Long Island Rail Road access to Grand Central Terminal. The Access to the Region's Core (ARC) rail tunnel project into midtown Manhattan as it was conceived and planned was also included in this list of foundation projects. However, the economic downturn has already begun to impact planning for – and in some cases, the implementation of – future projects.

A case in point is the ARC rail tunnel project, which was halted by New Jersey Governor Chris Christie in late 2010 while still in the initial stages of design and construction, due to concerns about the impact of potential cost overruns on state finances. Although several possible alternatives to potentially address the impacts of the loss of the ARC project are undergoing preliminary evaluations, it is clear that the strategic long-range expansion plans for the system are coming up against formidable budgetary and funding shortfalls.

Similarly, availability of Federal resources for transportation improvements is moving into a period of great uncertainty as the national deficit has also increased. The Federally-funded American Recovery and Reinvestment Act of 2009 (ARRA) made a one-time infusion of Federal capital funding available for the region, including \$175 million to the New York City Department of Transportation

(NYCDOT) to rehabilitate the St. George Ferry Terminal ramps in Staten Island; it is the largest fully funded stimulus project in the NYMTC region. Altogether, NYMTC was able to program more than 120 candidate projects totaling nearly \$2 billion, translating into jobs and essential infrastructure projects for the region. However, this program is not anticipated to be renewed and so cannot be counted on for future funding infusions.



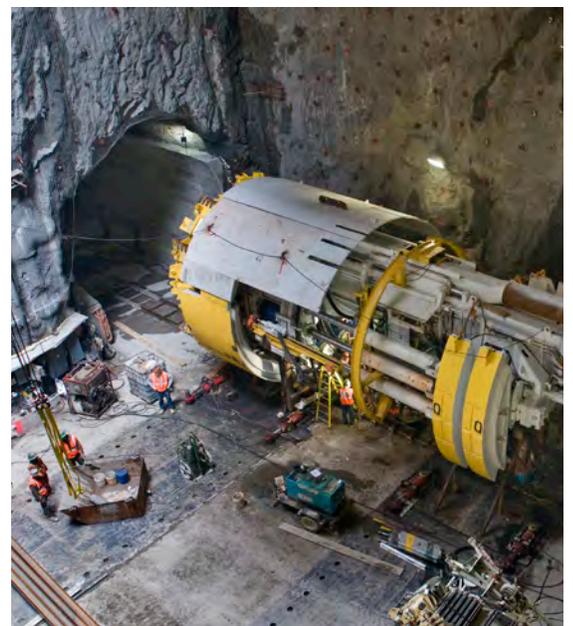


Innovations and Strategies

Out of necessity, NYMTC’s member agencies – the region’s transportation planners and operators – have had to develop alternate scenarios and timelines for some of their planned projects, and

come up with innovations and strategies for meeting pressing needs.

Technology is being employed throughout the region to help travelers get where they need to go more efficiently, while allowing for operators to realize cost savings as well. NYMTC’s members have supported flexibility of transportation choices with funding for 511NY™ to better coordinate the information available across modes of travel. The New York State Department of Transportation (NYSDOT) is using technology to develop new ways to efficiently update the multimodal information in this system, upgrade its tools and keep it accurate. In addition, the recent release of mobile apps for 511NY™ allows easier on-the-go access to information and My511NY allows the user to personalize real-time travel data. Rockland County has partnered with Google to provide Tappan ZExpress (TZx) directions online through the Google Transit Partner Program. The program is a no-cost public-private partnership that will allow Rockland County to attract more riders and improve online customer communication. Google Transit is an innovative tool that combines Rockland transit information with the power of Google



Maps to make trip planning quick and easy for everyone.

Technology is also assisting in service provision and improved efficiency. Suffolk County has implemented a scheduling software system to add efficiencies to schedule building for its fixed-route bus system. This software will overlay vehicle location software to determine where schedules can be streamlined.

Similarly, Rockland County continues to look for ways to reduce current and long-term operating cost. The county purchased 25 new Hybrid buses, which reduce fuel use and emissions. The Hybrid electric buses also recapture brake energy by converting it into electricity and storing it in the batteries, reducing wear and tear on the braking system. Suffolk County has also invested in more fuel-efficient buses, purchasing 81 clean-diesel buses of various lengths to economize efficiencies; the county is also purchasing CNG powered trucks for additional emissions efficiencies. Westchester County is embarking on a life-extension program for its articulated bus fleet, rather than expecting that sufficient Federal and state funding will be available to purchase new vehicles.

Innovations in service provision are also being explored and implemented throughout the region. Westchester County has undertaken a variety of approaches to continue to provide transit service

and, at the same time, plan for the future to meet anticipated travel needs. The county partnered with not-for-profit and volunteer transportation providers to examine ways to enhance transportation access for seniors and home health care workers in the northeastern section of the county. In addition, the county is examining alternate ways to fulfill the mandate for complementary paratransit service in more efficient, less costly ways. Similarly, Suffolk County is streamlining the ever-increasing costs of its paratransit program, utilizing automated passenger call ups and reminders to avoid costly trip cancellations. GPS-activated routing and manifests will be made on the fly for immediate vehicle re-routing.

Transportation providers are also making systemic changes to improve the efficiency of their operations. The Metropolitan Transportation Authority (MTA) has undertaken a fundamental re-shaping that carries forward the work it began in 2010 under its report entitled “Making Every Dollar Count,” including cost-cutting that will result in cumulative savings of \$3.8 billion by 2014; customer service improvements; and implementation of systemic changes, including all-electronic tolling. In addition, the MTA identified \$525 million in annual savings through an emergency overhaul of the way it does business, helping to limit the impact of the economic downturn on the MTA’s customers. And despite historic budget austerity, the agency delivered a number of long-promised





benefits to customers: activation of countdown clocks at more than 100 subway stations; bringing security cameras online; overhauling its website; implementing Metro-North Train Time™, which gives real-time train status to a web-enabled smart phone or computer and piloting MTA BusTime, which provides real-time location of buses to desktop web maps, mobile web sites on iPhone, Android or other smartphones, and via SMS text messages on all mobile phones.

The MTA also implemented a new strategy to keep stations in good condition. Instead of waiting for full-station rehabilitations, the agency is now fixing issues on a component basis and putting an end to battered stations. Using the results of a system-wide survey of more than 14,500 station components, the MTA is now fixing the components most in need of repair first – making better use of capital dollars through targeted repairs.

Meeting transportation needs has taken on a variety of different forms. Through a series of travel innovations, MTA New York City Transit and the New York City Department of Transportation have been able to improve bus travel times by as much as 24 percent on Select Bus Service (SBS) routes.

Implemented in part with funding from the Congestion Mitigation and Air Quality Improvement Program, SBS routes are relatively inexpensive ways to fill transit gaps and improve service. The first two routes are operating along Fordham Road in the Bronx, and First and Second Avenues in Manhattan, and additional routes are planned for Nostrand Avenue in Brooklyn, and on Staten Island and in several other locations.

In addition to operational efficiencies and strategies, NYMTC’s members continue to focus on improved coordination between land use and transportation planning to meet the goals of the shared vision. Rockland County has developed a plan that will identify issues of land use and zoning conflicts between and among municipalities that if resolved will allow the various municipal zoning regulations to work more effectively. Through its *Westchester 2025* initiative, Westchester County has established a framework for coordinating land use and transportation planning in its municipalities.



Coordinating land use development and transit service through Transit Oriented Development (TOD) advances broader regional goals of enhancing current and planned transit services, spurring affordable housing efforts, reducing congestion, improving the environment and continuing to expand economic opportunities. A regional consortium that includes planning organizations and cities in coastal Connecticut, New York City, Long Island and the lower Hudson Valley, and which includes NYMTC and the Regional Plan Association, was awarded a Sustainable Communities Initiative grant from the US Department of Hous-



ing and Urban Development to foster TOD linked by the regional commuter rail network to enhance economic development in the region.

NYMTC's members are undertaking TOD efforts both collectively and individually. The New York State DOT has been working with local governments to encourage smart growth to integrate transportation planning with local land use planning. To complement the Tappan Zee Bridge project, NYSDOT funded a TOD training program to prepare communities along the I-287 corridor to leverage the potential economic benefits stemming from the project by promoting development around existing and new transit centers. These workshops provided ideas to help prepare Rockland and Westchester counties and local municipalities to move forward with plans that will improve the land use-transportation connection.

New York City is continuing to use its land use authority to promote TOD, its streets to support a balanced transportation network and to work with its regional transportation partners to both expand and use more efficiently its regional transportation network. Throughout the city, there have already been tangible results in shifting

travel to other modes and away from the automobile, with 87 percent of new dwellings within a 10-minute walk of transit. During the last decade, the city accommodated substantial employment and population growth with dramatic increases in transit ridership, while auto trips into the region's Central Business District have declined and auto trips elsewhere in the city have remained essentially flat.

In addition, new bike lanes are providing cost-effective improvements to mobility and safety. Between 2006 and 2010, New York City DOT installed more than 250 miles of bike lanes, including the city's first protected on-street bicycle paths in Manhattan and Brooklyn. The number of regular cyclists in the city has doubled since the lanes were installed, providing environmental benefits. Nassau County has also been involved in implementing low-cost pedestrian and bicycle programs, leveraging resources by coordinating with NYSDOT and local municipalities. Westchester County has provided technical assistance to municipalities through Safe Routes to School and Walkable Communities workshops. Recommendations from the workshops have been used by the



communities as the basis of applications for funding of bicycle and pedestrian improvements.

The economic circumstances have also provided other long-term planning opportunities in the region. For Nassau County, planning during this economic downturn has had a dual strategic focus. First, emphasis has been placed on targeting opportunities for economic development that will help increase tax revenues while holding the line on property taxes for homeowners, reduce the per-capita cost of public services, and create new jobs, thereby relieving some of the pressures on the county's finances. Examples include the redevelopment of the former Grumman site in Bethpage and the development of the property surrounding the Nassau County Veterans Memorial Coliseum in Uniondale, with each initiative having a high upside potential for Nassau County.

At the same time, Nassau County has been advancing activities that can leverage existing

funding sources. The prime example is the Nassau Hub Study Alternatives Analysis/Environmental Impact Statement; findings and recommendations from this study could prove to be integral to the development of the Coliseum property. Funding for the study is already in place via a combination of Federal Transit Administration grants and New York State and Nassau County matching funds. As such, advancing this study now may actually help position the county to be at the top of the line for Federal project funding when the economic cycle reaches more favorable times.

Finally, Nassau County is using the economic downturn as an opportunity to reassess operations of Long Island Bus. Part of this process will include ongoing reviews of current service reduction plans as well as soliciting bids from private operators for the future operation of Long Island Bus. The county's decision regarding whether to pursue a public-private partnership for Long Island Bus' long term sustainability will be based on





Goethals Bridge Illustrative Design

its determination of which plan best serves Nassau County’s taxpayers, riders and the economy.

Fiscal constraints are causing regional agencies to consider different ways to see their plans through to completion, including implementing some large cost transportation projects in more affordable phases, rather than as one large construction project. This phasing lengthens the time



and cost of construction, but allows these large projects to get underway within current budget resources. Examples of these large projects under the jurisdiction of New York State DOT include the Kosciuszko Bridge on the Brooklyn-Queens Expressway, and the Kew Gardens interchange on the Van Wyck Expressway.

Similarly, Suffolk County has staged development of the CR39 & CR58 highway reconstruction projects to achieve immediate beneficial use. Putnam County has also had to stage much needed projects. On capital projects such as bikeways or sidewalks, the county has shortened the length of

planned facilities to fit within a reduced financial envelope, while ensuring they still meet Federal criteria. Highway construction projects such as roadway or bridge improvements are delayed into later years. The county has also had to purchase fewer buses or transit shelters than anticipated or needed. Westchester County has limited a proposal for Bus Rapid Transit in the Central Avenue corridor to a first phase transit signal priority system that will provide time savings to existing riders; the county will consider additional enhancements along Central Avenue as funding becomes available.

Pioneering funding strategies are also being explored throughout the region. The Port Authority of New York and New Jersey is investigating the potential to use innovative financing for the planned Goethals Bridge Replacement Project. The agency recently received a Record of Decision completing the Federal environmental-impact review for PANYNJ’s proposal to replace the functionally obsolete Goethals Bridge. The new crossing would include shoulder lanes, capability





for bus/HOV priority treatment in peak periods, and modern seismic protection and security features. The financing approach under consideration would engage a private partner to finance, build, and maintain the bridge for an agreed term, with the agency retaining ownership of the facility and control over toll policy. Subject to other necessary project approvals and permits, the new crossing could be completed and the existing bridge removed by 2017.

All of these projects and programs are advancing in the face of severely limited resources to help address the need to maintain and improve transportation services in the region in the short, medium and long terms. They share the approach of doing more with less to meet the immediate needs of the transportation system and its users, while continuing to plan for future growth and economic recovery.

Planning and Uncertainty

The difficulties facing the region are real: for NYMTC’s members, for the people who live and work here and for the elected leaders trying to

balance budgetary issues and needs in the long-term and in the immediate future.

Periods of economic downturn are cyclical, and there have been signals that this bleak period is coming closer to an end. Literature indicates that strategic planning is critical to emerging successfully when periods of economic downturn begin to reverse. The following questions need to be addressed: Will growth revive in all sectors and geographical areas? Are plans to improve the network still in synch with where the growth is forecast to be?

NYMTC members are planning for future growth by managing a fiscally-constrained Regional Transportation Plan that incorporates a vision for long-term sustainable growth. This will help the region to weather future fiscal storms with greater resilience, even as it copes with the current situation. At the same time that NYMTC’s members are reconsidering priorities and developing effective change management and planning strategies, it is essential that the transportation network continue to move people and goods into and around the region.



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