



American Council of Engineering Companies of New York

**Testimony to the
Joint Legislative Public Hearing on Transportation**
Executive Budget Proposal
January 15, 2017
Albany, NY

Dear Members of the Joint Transportation Hearing Committee,

I want to thank you for holding this hearing to address the State's transportation funding needs. The strength of our economy and our quality of life is directly related to the investments we make into our roads bridges, mass transit, and airports. It is critical that we continue to fund them at appropriate levels.

As has been reported in the past, New York's roads have been allowed to decay for too long. As any driver can attest, poor infrastructure causes drivers annoyance and has measurable negative impacts on daily life in the form of delays, more damage to vehicles, more injuries on our roads, less time with our families and a significant increase in our carbon footprint.

A number of our roads and bridges have decayed to the point that they are rated as deficient or functionally obsolete. In fact, in 2015 The American Society of Civil Engineers, in their periodic Infrastructure Report Card gave New York a D+ for bridges, C- for transit a C for aviation and D- for roads. We need to take significant steps to improve them, and the state has started to address this in a more meaningful way.

The most recent budget cycle has seen major investments in the state's transportation infrastructure, both in maintenance and in new projects. While these initiatives have not resulted in an instant and wholesale rejuvenation of the State's transportation infrastructure, we support the attention and additional investment that is necessary to meet the needs of New York's social and economic future.

Last year's 5-year transportation capital plan – the largest ever approved, at \$55 billion dollars – saw a number of developments that bode well for the State's transportation infrastructure. Out of the \$21.1 billion DOT capital plan, \$438 million goes towards Consolidated Highway Improvement Program (CHIPS); \$400 million (\$100 million a year over four years) was directed through the CHIPS mechanism to fund the PAVE-NY program for local roads; and BRIDGE- NY supports local bridge rehab and replacement projects with \$200 million over two years. In addition to the investments described above, the Thruway Authority received funding for the Thruway Stabilization plan and New New York Bridge funding. The MTA received roughly \$27 billion in their 5-year plan, which has, in part, led to the completion of the Second Avenue Subway, which is in operation as of January 1, 2017. All of these initiatives are a good start, and we hope that they represent an ongoing and committed dedication to the state's transportation needs.

A number of upstate communities received an encouraging boost through the Upstate Airport Economic Development and Revitalization Competition, where funds were directed to airports that submitted winning plans to significantly and efficiently improve their facilities and capabilities. The first two phases saw Elmira and Rochester area airports each receive approximately \$40 million and Syracuse and

Plattsburgh receive \$38 and \$35million respectively, with a final round due to distribute the remaining funds. Upstate New York remains vitally important to the economic future of the State, and we support investments intended to stimulate economic activity, job creation and business attraction. In New York City, the two major airports are also part of a major investment and revitalization plan. LaGuardia is in the midst of a \$4 billion transformation, and there are now plans to invest up to \$10 billion at JFK Airport. These are welcome investments to make these airports reflective of the New York community.

In late 2015, the Federal FAST was signed and created a 5-year transportation funding mechanism for the first time in a decade. With this stable funding outlook in place, we are hopeful that the next 5 years will see a high degree of coordination between State and Federal authorities to implement and execute the upgrades to our transportation network needs. We are eager to see important projects funded and delivered.

The past few years have seen a growth in the use of design-build procurement in transportation projects. ACEC New York supported the implementation of design build in New York State in late 2011 and believes that when used correctly, this method is a worthwhile “tool in the toolbox” of public owners looking to deliver projects. We recognize that design-build isn’t the right solution for every project but it can be useful, especially when timelines are shorter. We have identified best practices in our policy paper, which is attached.

Government sources of funding are not the only solution, however. The traditional method of financing and developing transportation infrastructure projects was created to protect the public interest by providing substantial public sector oversight of public funds. However, by providing access to alternative financing sources like public-private partnerships (P3s), the state can facilitate the construction of projects that might otherwise have been delayed or not built at all. By infusing private capital, the State can offer vital transportation services without committing capital resources.

It has also been proven that the use of private design consultants is more effective than relying on in-house design capabilities. In a study performed by NYU, it was shown that private design consultants are 15-20% more cost effective and they have far greater flexibility. Public agencies and authorities need to have the skills and staff to oversee and manage projects effectively. To that end, ACEC New York supports a well-paid professional design management staff to ensure that projects are designed and delivered as intended.

While we are focused on our infrastructure, including what it means to our quality of life and how our economy depends on it to move goods and people, it cannot be forgotten or overstated that infrastructure creates good paying, local jobs. Tens of thousands of jobs are created or maintained from every \$1 billion invested in our infrastructure. These jobs and the business that are supported also generate tax revenues to the state and to local governments.

In these challenging times, we must not lose sight of the fact that New York State’s infrastructure is a critical component of our ability to return to economic prosperity. To that end, ACEC New York is committed to working with our public counterparts to maximize the benefit of every taxpayer dollar spent on the state’s transportation and infrastructure programs.