A Bumpy Road Ahead?
A Close Look at NJDOT's 2012 Capital Program

Tri-State Transportation Campaign

May 2011

This report was revised September 2012

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Executive Summary

New Jersey's draft fiscal year 2012 capital program provides almost $3.5 billion in funding for the state's road and transit systems, with approximately $2.3 billion (66%) going to New Jersey Department of Transportation and $1.164 billion (33%) set aside for New Jersey Transit investments.

The Tri-State Transportation Campaign has closely analyzed the NJDOT portion of the capital program, comparing funding levels across project types, and examining trends in past spending priorities.

From this analysis, several themes have emerged:

1. **Road and bridge maintenance continue to make up the largest percentage of NJDOT's capital program budget.** The agency is dedicating nearly 44% of the fiscal year 2012 capital spending to rehabilitation, repair, resurfacing, and replacement projects. NJDOT must prioritize a "fix-it-first" strategy given the poor condition of the state's existing infrastructure.
2. **Spending on road capacity expansion projects makes up almost 11% of the capital program, the largest percentage in nearly a decade,** threatening to undermine the state's "fix-it-first" goals.
3. **Funding for signature smart growth programs has been reduced or eliminated**. The capital program defunds the popular Transit Village and Centers of Place programs. In addition, projects that are part of the NJ Future in Transportation (NJ FIT) program have been cut.
4. **Funding for bicycle and pedestrian projects shows NJDOT's commitment to pedestrian and bicyclist safety.** At 2.7% of the proposed capital program, NJDOT remains a national leader in spending on this area. Sustained funding is critical if the state hopes to continue to reduce bicyclist and pedestrian deaths.

Recommendations for the Governor, State Legislature and NJDOT:

- Recommit to the fix-it-first policy mandated in 2000 to reduce the backlog of deficit roads and bridges by half as the state approves the Transportation Capital Program this year.
- Take a hard look at proposed road expansion projects and call off projects that will not offer sustainable congestion relief. If the state could not afford the ARC passenger tunnel project, it cannot afford paying for road expansion projects that do little to reduce traffic congestion.
- Create a consistent fix-it-first policy among all state transportation agencies, including NJDOT and the New Jersey Turnpike Authority.
- Restore and increase funding for the state's smart growth programs to ensure continued progress on these initiatives. Dedicate at least $1 million annually to NJ Transit Village program and the Centers of Place program. Launch a new round of NJ FIT projects that help towns plan for the future.
- Continue to fund bicycle and pedestrian projects, targeting financial support to places with the highest number of pedestrian and bicyclist injuries and deaths. Restore funding to the Safe Routes to Transit program to at least $1 million annually.
- Use money previously earmarked for Access to the Region's Core for its intended purpose of improving the cross-Hudson commute.
- Find new sources of revenue. The proposed capital program relies on $1.8 billion in transfers from the state's General Fund over five years, revenues that presently do not exist.

Introduction

New Jersey state law requires that the New Jersey Department of Transportation issue an annual capital program describing all of the capital investments planned by NJDOT and NJTransit. Federal and state funding for NJDOT and NJTransit projects, as well as for counties and municipalities, is allocated through this capital program. If you know how to decipher them, the capital program documents provide a wealth of detailed information on each planned project, including route information and descriptions, precise location, funding sources, sponsoring agencies, and project type.

By annually examining trends in spending patterns and monitoring the progress of specific projects, TSTC can track the state's transportation investment priorities and ensure that New Jersey lives up to its reputation as a national model for progressive transportation policy. The purpose of this report is to provide easy- to-read information for decision-makers and the public regarding the NJDOT's capital spending plans.

TSTC's analysis of the 2012 capital program is grouped around four principal themes: 1) continuing spending on road and bridge maintenance; 2) increasing funding for road capacity expansion; 3) defunding key smart growth programs and, 4) continuing commitment to bicycle and pedestrian projects and programs.

The proposed 2012 New Jersey Transportation Capital Program provides almost $3.5 billion for the fiscal year. The program allocates approximately $2.3 billion for NJDOT (66%) and $1.164 (33%) billion for NJ Transit investments.

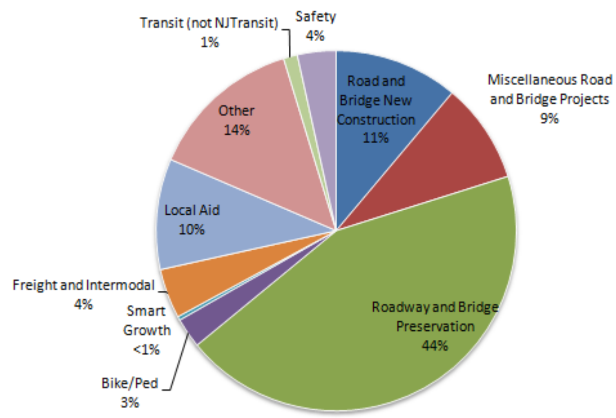
Similar to previous analyzes, this report uses NJDOT's classification of preservation projects to determine the agency's commitment to infrastructure preservation. Since the agency has no category directly relating to road expansion, other NJDOT categories were examined to find capacity expansion projects . A more detailed explanation of the analysis is in the Methodology section.

NJDOT Continues to Prioritize Road and Bridge Maintenance

Altogether, the $2.3 billion NJDOT program continues to prioritize road and bridge maintenance. Almost 44% of the capital program is dedicated to roadway maintenance and bridge repair or replacement.

NJDOT's 2012 spending on road and bridge maintenance makes up the largest percentage of its proposed spending. This continues the state's recent trend of prioritizing road and bridge maintenance. Prior to New Jersey's adoption of a fix-it-first approach to infrastructure investment in the early 2000s, NJDOT had slated up to half of its annual capital program for widening projects and other capacity additions. TSTC's analysis of the 2010 capital program found the state dedicating 36% of its budget to road and bridge maintenance projects, down from 44% of its capital program in 2009.

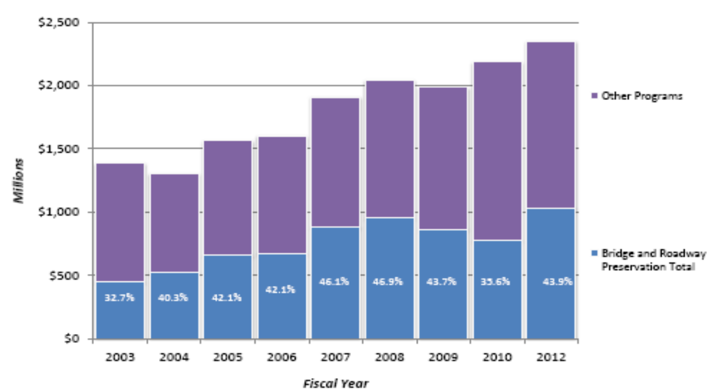
Draft FY 2012 NJDOT Capital Program by TSTC Project Category[1]



Source: TSTC analysis of NJDOT, NJ Transit Proposed FY 2012 Transportation Capital Program

New Jersey's fix-it-first policy has improved the quality of the state's infrastructure. One example can be seen by examining the state's bridges. TSTC's 2010 report, "More than a Bandage for New Jersey's Crumbling Bridges," found that the number of structurally deficient bridges has decreased by 28%. However, TSTC also found that New Jersey still had more than 200 structurally deficient major bridges on Interstates, freeways and principal arterials, clearly showing the state's need to continue its commitment to infrastructure maintenance. In 2007, then-NJDOT Commissioner Kris Kolluri estimated that in addition to the state's planned $8 billion investment over 10 years, an additional $13.6

Trend in Proposed Bridge and Roadway Preservation Spending



Source: TSTC analysis of NJDOT, NJTransit Proposed FY 2003-FY2010 and FY 2012 Transportation Capital Program

1. Road and bridge preservation are projects identified by NJDOT as preservation. These projects include resurfacing, rehabilitation and replacement projects. New construction are projects identified by TSTC as adding or creating capacity. Miscellaneous road and bridge projects are not classified by NJDOT as preservation and are not considered by TSTC to be new construction.

billion would be necessary to bring all of New Jersey's bridges into a state of good repair.

Major Widening Projects Threaten to Shift NJDOT Away from Fix-It-First

TSTC's analysis shows that almost 11% of the proposed capital program will go to expanding capacity on the state's roads. Increasing spending on road capacity expansions is a troubling, but growing trend in recent NJDOT capital programs. TSTC's analysis of previous capital programs found that the agency was proposing to spend 3.6% of its funds on expansion in 2009 and 8.9% in 2011.

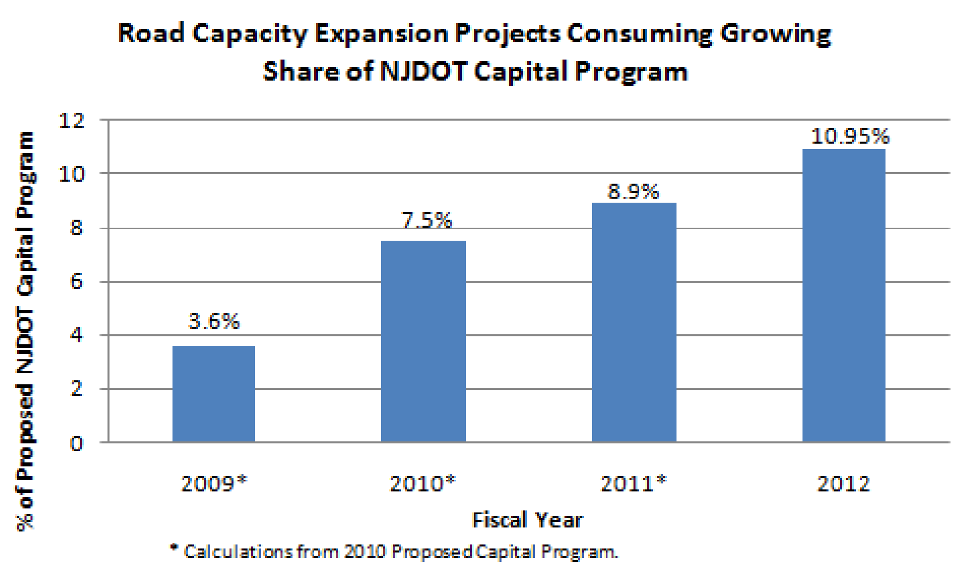
What is "Fix-It-First"?

Simply put, **Fix-it-First** policies prioritize funding the repair and maintenance of existing infrastructure over new construction and expansion. Regular maintenance, repair, resurfacing, reconditioning and reconstruction ensure the longevity of existing roads and bridges.

More traditional infrastructure investment strategies devote much of a state's transportation budget to the construction of new and widened roads and bridges, which encourage sprawling development and exacerbate traffic congestion.

In an era of strained State budgets, fix-it-first policies are essential to control spending and ensure that taxpayer dollars are directed toward sustainable transportation investments.

Not all road expansion projects deliver negative results. For example, some projects in Liberty Corridor program will deliver mobility benefits to the port district. Others, such as Direct Connection in Camden County, promise safety benefits. But generally, road expansions are expensive and tend to come at



Source: TSTC analysis of proposed NJDOT, NJ Transit Proposed Capital Program FY 2010 and TSTC analysis of NJDOT, NJ Transit Proposed Capital Program FY 2012 the expense of the environment, existing road and bridge conditions, and other important programs.

Signature Smart Growth Programs' Funding is Eliminated or Decreased

The proposed capital program cuts or decreases the funding for popular smart growth programs. The cuts to these programs are likely to affect the smart growth efforts of municipalities across the state.

The 2012 capital program defunds New Jersey's Transit Village program. This popular program has helped towns promote sustainable, transit-oriented developments statewide. In 2011, the program received $1 million, and in previous years, the program has been allocated as much as $3 million. The program was created in 1999 to provide incentives for municipalities to redevelop or revitalize the areas around transit stations using transit-oriented development design standards. The state has 23 designated transit villages.

Rendering of Morristown; image from NJDOT

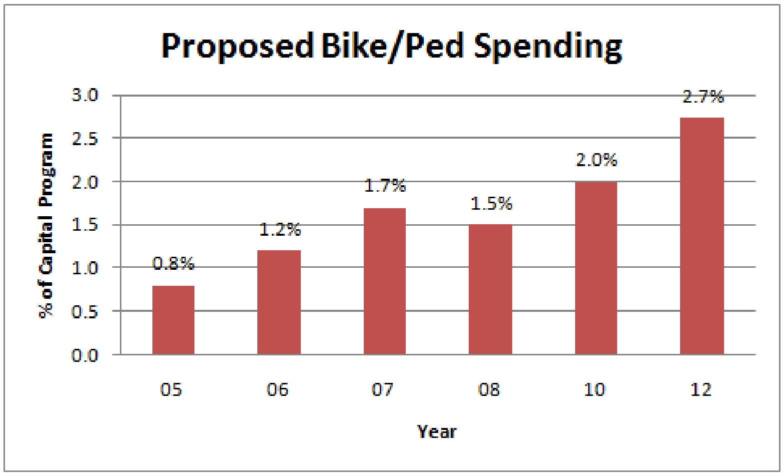
The Centers of Place program, which has previously provided competitive grants for downtown improvements such as streetscaping, lighting, wayfinding, and pedestrian safety projects, has been defunded.

Lastly, funding for projects within NJ FIT program, which seeks to build more sustainable communities with state transportation projects, is lacking and a new round of projects has not been announced.

NJDOT Continues Commitment to Bicycle and Pedestrian Projects

NJDOT classifies 1.0% of its FY 2012 budget as bicycle and pedestrian projects, down from 2.0% in FY 2010. However, a line-by-line analysis of the capital program shows that the DOT will spend 2.7% of its budget on bicycle and pedestrian improvements. Some of the 2012 projects include the Riverbank Park Bike Trail in Hudson County, the East Coast Greenway in Middlesex and Union Counties, the New Brunswick Bikeway, and River Road improvements in Camden. In addition, a number of roadway and bridge projects have bicycle and pedestrian additions, such as the $20 million Route 50, Tuckahoe River Bridge and the $18 million Route 18 Extension, Hoes Lane Extension to I-287.

However, funding for the popular Safe Streets to Transit program has been decreased from the intended $1 million to $500,000. This program has helped towns provide safer access to rail and bus hubs. Under the Pedestrian Safety



Source: TSTC analysis of NJDOT, NJTransit Proposed Capital Program, FY 2005- 2010 and FY 2012

Initiative launched in 2006, this program was slotted to receive $1 million in FY 2012.

Spending on bicycle and pedestrian projects is a smart investment for New Jersey given the state's high number of traffic fatalities; from 2007 -2009, 449 pedestrians were killed by cars, an average fatality rate of 1.73 per 100,000 residents. (During this period, the average pedestrian rate for the United States was 1.5 per 100,000.)

Recommendations

- **Take a hard look at proposed expansion projects and call off projects that will not offer sustainable congestion relief.** These projects tend to be overly expensive, and come at the expense of environmental quality and existing roads and bridges conditions.

- **Create a consistent fix-it-first policy between all state transportation agencies, including NJDOT and New Jersey Turnpike Authority.** Fix-it-first guidelines must be ubiquitous to be effective. Incongruous policies send the wrong message about state priorities and allow for unbalanced growth in key corridors.

- **Ensure that smart growth projects linking transportation and land use continue to receive adequate funding, and be the central policy for transportation agencies in New Jersey.** The Transit Village, Centers of Place and NJ Future in Transportation programs promote smart growth, economic development, and a sustainable transportation infrastructure.

- **Continue to fund bicycle and pedestrian projects and target funding to places with the highest number of pedestrian and bicyclist injuries and deaths.** New Jersey should also continue to incorporate bicycle and pedestrian additions on roadway and bridge projects.

- **Use money previously earmarked for Access to the Region's Core (ARC) for its intended purpose of improving the cross-Hudson commute**. Such improvements are noticeably absent from the capital plan. ARC would have doubled cross Hudson River rail service between New York and New Jersey. If New Jersey is going to look to the Port Authority of New York and New Jersey to subsidize its transportation program, the state should spend money on alternatives to improve cross- Hudson River access.

- **Raise new revenue.** The 2012 capital program relies on $76 million from the General Fund, but these transfers skyrocket in out years, totaling $1.8 billion over the life of the five year plan. New Jersey's inability to raise revenue needed for transportation is saddling future generations with debt and crippling the state's ability to address serious transportation challenges.

Methodology

The NJDOT portion of the proposed capital plan classifies infrastructure and transit projects into ten categories, airport assets, bridge assets, capital program delivery, congestion relief, local system support, mass transit assets, multimodal programs, road assets, safety management and transportation support facilities, in addition to a number of sub-categories. Similar to previous TSTC analyses, this analysis determined bridge and road new capacity projects by closely examining the categories of congestion relief, safety management and local aid. To determine bridge and roadway preservation commitments, NJDOT's subcategories of bridge and roadway preservation were used.

Different from previous years, this analysis re-categorizes road and bridge projects that do not fall into preservation or new capacity as simply "miscellaneous road and bridge projects." These items may be small projects such as minor roadway widenings, and were classified by NJDOT as safety management, local system support, congestion relief and road and bridge assets. In addition, TSTC has looked through the capital program line-by-line to pull out smart growth, bicycle/pedestrian, transit, safety, local aid, and freight/ intermodal projects. Performing the analysis in this way allows both a comparison among previous TSTC analyses as well as a more detailed understanding of NJDOT's spending priorities going forward.

Tri-State Transportation Campaign

Mobilizing the Region

The Tri-State Transportation Campaign is a non-profit policy and advocacy organization working toward a more balanced, transit-friendly, and equitable transportation system in New Jersey, New York, and Connecticut.

350 W 31st Street
New York, NY 10001
p: (212) 268-7474 f: (212) 268-7333
www.tstc.org