

What's Ahead?

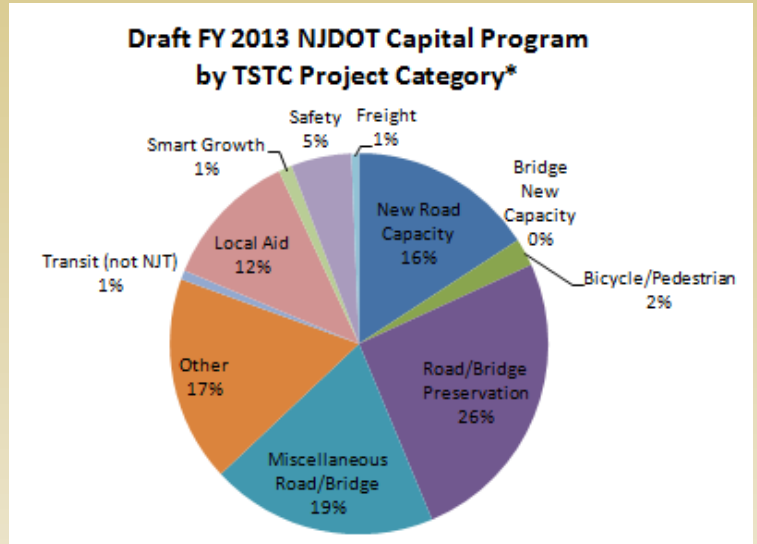
An Examination of NJDOT's 2013 Proposed Capital Program

Each year, the Tri-State Transportation Campaign (TSTC) examines the New Jersey Department of Transportation's (NJDOT) proposed capital program and its final capital program to determine the agency's spending priorities for the upcoming year to see if the agency is pursuing sustainable transportation goals.

New Jersey state law requires that NJDOT issue an annual capital program describing all of the capital investments planned by NJDOT and New Jersey Transit (NJT). Federal and state funding for NJDOT and NJT projects, as well as for counties and municipalities, is allocated through this capital program. NJDOT plans to spend \$3.2 billion in transportation investments in 2013. \$2 billion will go to NJDOT. [Note: this report is an analysis of NJDOT portion of the capital program, not NJT. However, it is worth noting that \$1.2 billion will go to NJT, a 3% increase from last year's program.]

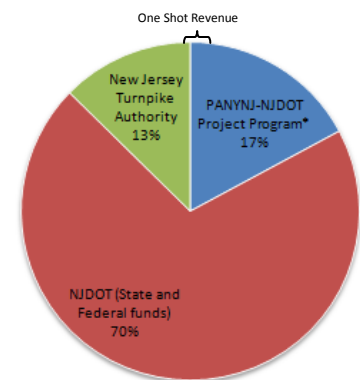
TSTC's examination of NJDOT's Proposed Transportation Capital Program for Fiscal Year 2013 reveals some noteworthy trends:

- Road capacity expansion projects have grown to nearly 16% of the capital program, up from 11% in 2012, showing NJDOT's backsliding on its fix-it-first commitments. Three large projects make up most of the spending in this category, consuming resources for existing roads and bridges.
- The PANY&NJ's contributions fund 17% of the capital program. This financial support will end in 2016, leaving a significant funding gap for the agency should a new source of revenue not be identified.
- Spending on bicycle/pedestrian projects has decreased from 2.74% of the 2012 proposed capital to 2.35% of the 2013 program.



*PANY&NJ-NJDOT Project Program (totaling \$353 million) is not included in analysis. Source: TSTC analysis of NJDOT Proposed Transportation Capital Program Fiscal Year 2013

NJDOT 2013 Proposed Capital Program by Funding Origin



*These funds were originally intended for Access to the Region's Core. Source: "Analysis of the New Jersey Budget Fiscal Year 2012-2013." Department of Transportation and Motor Vehicle Commission

TRI-STATE TRANSPORTATION CAMPAIGN



Mobilizing the Region

The Tri-State Transportation Campaign is a policy watchdog organization working to reverse automobile dependence in the New York/New Jersey/Connecticut metropolitan region. www.tstc.org

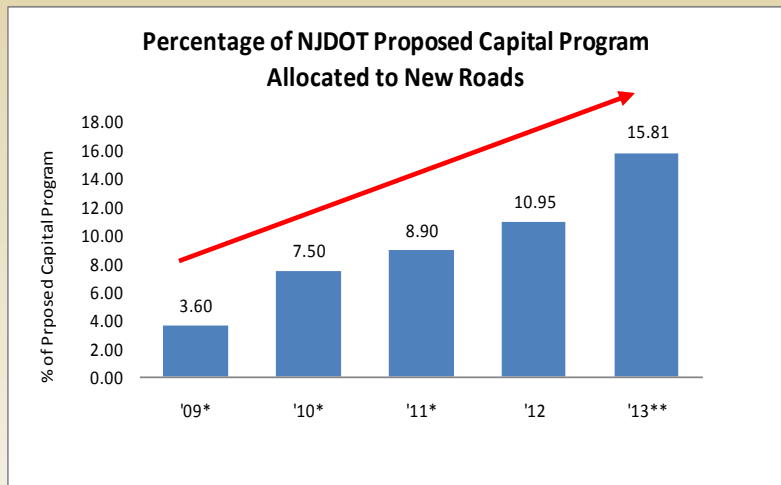
This report was revised September 2012.

Recommendations for the Governor, State Legislature and NJDOT:

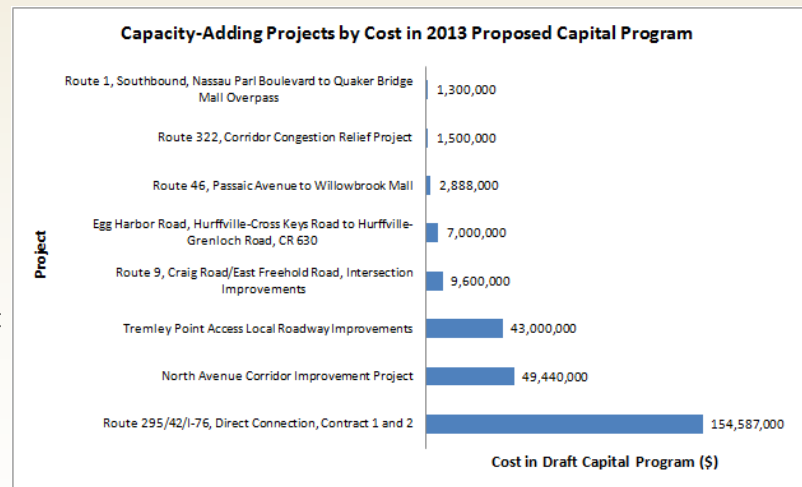
- Recommit to the fix-it-first policy mandated in 2000. Carefully review proposed road expansion projects and call off projects that will not offer sustainable congestion relief. Instead, reprioritize these funds to reduce the state’s backlog of deficient bridges and road maintenance projects.
- Find new, sustainable revenue sources to plug the capital program gap after 2016. Overreliance on debt, exacerbated by the recent sweep of \$260 million from the 2012 transportation capital program, is a short term solution to a long term problem.
- Restore, and if possible, increase funding for bicycle/pedestrian projects. Focus funding in communities that have passed complete streets policies or in places with the highest number of pedestrian or bicyclist injuries and fatalities.
- Advance projects that prioritize main streets, downtowns and mixed-use transit-oriented development. New Jersey has been a smart growth leader. However, the state has recently lagged in funding smart growth initiatives.

New Road Capacity Projects Make up an Increasing Share of the Capital Program

TSTC’s analysis shows that an increasing percentage of the NJDOT capital program, 16% up from 11% last year, is dedicated to projects that add capacity to the state’s roads. While not all new capacity projects deliver negative results, very often building new roads consumes limited resources needed to maintain and fix the state’s existing roads.



A close examination of new road capacity projects shows that the vast majority of this spending is caused by three large projects. Of these three, one is exclusively a NJDOT project, Camden County’s Direct Connection, at a cost of \$154M. The Union and Middlesex Counties’ Tremley Point Access Local Roadway Improvements and Union County’s North Avenue Corridor Improvement Project are part of the Liberty Corridor project which have received federal funds. Together, these three projects make up nearly 92% of the total capacity expansion. Large projects, such as Direct Connection, provide short term congestion relief but force NJDOT to shift funds from maintaining existing roads and bridges to constructing these new projects.



Sources: TSTC analysis of NJDOT Proposed Capital Programs, 2010, 2012, and 2013 (top) and TSTC analysis of NJDOT Proposed Capital Program 2013 (bottom)

* 2009, 2010 and 2011 calculations based on 2010 Proposed Capital Program

** Percentage does not include PANYNJ Project Programs

Funding Uncertainties

The PANYNJ funds make up 17% of the 2013 proposed capital program. In addition, in 2013, New Jersey will use \$260 million from the Transportation Trust Fund (all of the Pay Go funds) to plug the state's revenue shortfall leaving a funding gap in the capital program. This will force the agency to bond \$1.2 billion. NJDOT's five-year capital program's funding is derived from a variety of sources, including revenue from the Turnpike Authority's 2012 toll increases and additional "one-shots" from the PANYNJ for certain projects. Neither the PANYNJ or Turnpike Authority funds are permanent commitments that will last beyond 2016. One shots such as these are unsustainable revenue sources making it difficult to plan for projects in future years. For the 2017 fiscal year and beyond, New Jersey will have to find a way to come up with new money simply to maintain current funding levels. Unless new dedicated funding is introduced, there will be an even heavier reliance on unstable, unpredictable general fund transfers.

This year's capital program includes \$353 million from the PANYNJ to fund four NJDOT facilities (Route 7, Hackensack River (WittPenn) Bridge, Route 139 (Hoboken and Conrail Viaducts), Route 1&9T Extension and Route 1&9 Pulaski Skyway). These funds were originally intended to be the PANYNJ's contribution to the Access to the Region's Core, a tunnel between New Jersey and Manhattan.

Bicycle/Pedestrian Project Spending Decreases

NJDOT has taken a proactive approach to pedestrian and bicyclist safety and smart growth, including adopting a Complete Streets policy in 2009 and establishing the New Jersey Future in Transportation program in 2004 and linked transportation planning and land use planning. Additionally, in spring 2012, the agency made improvements to Black Horse Pike, one of the state's most deadly roads and held 12 complete streets workshops for municipal and elected officials across the state.

However, this year, NJDOT's spending on bicycle/pedestrian projects has dropped, from 2.74% in the 2012 proposed capital program to 2.35%. In addition to improving pedestrian and bicyclist safety, these projects enable mobility for those who cannot or choose not to drive, aid healthy, active lifestyles, and provide economic benefits for the communities in which they are located.

According to the National Highway Safety Administration's Fatality Analysis Reporting System Encyclopedia, from 2008 through 2010, 435 pedestrians were killed on New Jersey's roads many of which lack bicycle and pedestrian infrastructure. Bicycle/pedestrian improvements – such as sidewalks, bike lanes, and restriped crosswalks—can help save lives.

Given their numerous benefits, these kinds of projects have been shown to be very popular with local communities. According to NJDOT, in 2011, the Safe Streets to Transit program received 75 applications, but the agency could only fund 6 projects (8% of applications). In 2012, the program received over 80 applications, and selected 3 projects (4% of applications) for funding.

Year	Total Funds for Bicycle/ Pedestrian Projects (\$ in millions)	Percentage of Proposed Capital Program
2012	\$63.11	2.74
2013*	\$40.04 **	2.35

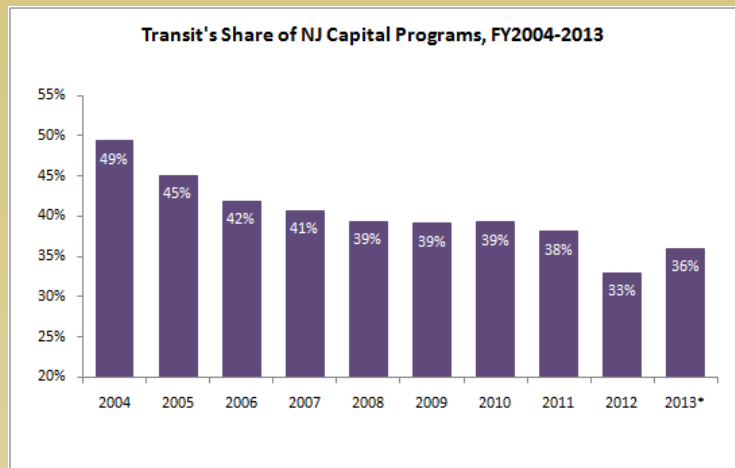
Source: TSTC analysis of NJDOT Proposed Capital Programs 2012 and 2013
* Percentage does not include PANY-NJ Project Programs
** NJDOT categorizes \$19.72 million of its Proposed Capital Program as bike/ped spending. TSTC found that \$40.04 million was dedicated to these kinds of projects.

Key Programs Restored

The Transit Village program, which provides financial resources to local governments for pedestrian and bicyclist friendly neighborhoods around transit, is funded at \$1 million in the 2013 proposed capital program and the Safe Streets to Transit program is funded at \$1 million. Last year, the Transit Village program was entirely cut and Safe Streets to Transit was funded at only \$500,000.

Increase in NJ Transit Funding

Though this report does not review NJT projects, it is worth noting that funds to NJT comprise 36% of the total proposed capital program in 2013. The 2013 proposed plan slightly reverses years of reduced funding to the agency (see chart above), though funds have significantly dropped from a high of 49% in 2004.



Source: TSTC analysis of NJDOT Proposed Capital Programs, 2004-2013
* 2013 Proposed Capital Program

Methodology

The NJDOT portion of the Proposed Capital Program 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.

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 projects. Local aid projects were defined as funds dedicated to counties, urban areas and metropolitan planning organizations for unspecified projects. Safety projects were defined as improvements that focus on vehicular safety concerns, including rockfall mitigation, traffic signal replacements and rail-highway grade crossings. This category addresses statewide, county-wide or route-wide safety improvements, and does not include individual projects that NJDOT undertakes for operational and safety reasons (e.g. changes to an intersection to improve safety).

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 for the upcoming fiscal year.



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