



# Gateway Program Update

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# Agenda

## Federal Grant Submissions

### Hudson Tunnel Project

- Value for Money Analysis
- Supplemental Phase 2 Geotechnical Boring Program

### Program Updates

- Portal Bridge – Interim Improvement
- Stakeholder Outreach Activities

# Status of Federal Grant Submissions to USDOT/FTA

## Portal North Bridge Project

Submission	Month/Year	Status
FTA CIG Grants	Sept. 2016	FTA “Medium-High” Rating <i>PANYNJ RRIF Loan identified as “Committed” by FTA</i>
FTA CIG Grants	Sept./Dec. 2017	FTA “Medium-Low” Rating <i>Did not account for December 2017 Submittal</i>
FTA CIG Grants	Sept. 2018	FTA “Medium-Low” Rating <i>Did not account for many actions to improve financial plan</i>

## Hudson Tunnel Project

Submission	Month/Year	Status
FTA CIG Grants	Sept./Dec. 2017	FTA “Medium-Low” Rating <i>Did not account for December 2017 Local Funding Commitments</i>
FTA CIG Grants	Sept. 2018	FTA “Medium-Low” Rating <i>Did not account for PANYNJ RRIF Loan June 2018 Board Resolution</i>

# Portal North Bridge Project – FTA Project Rating

The Project Partners took significant actions to improve the Portal North Bridge Project’s Financial Plan after the FY2019 “Medium-Low” Rating

FY2019 FTA’s Top 3 Recommendations for Improvement of Rating	FY2020 Actions to Restore Rating to “Medium-High”	FY2020 FTA Rating Response
Obtain commitments Local Share of funds	<ul style="list-style-type: none"> <li>100% of local share of funds committed through \$600M NJ bond commitment;</li> <li>All actions taken to commit funds short of selling NJEDA bonds</li> </ul>	<ul style="list-style-type: none"> <li>37% of the local share of funds are committed or budgeted</li> <li>Obtain commitments of all local share of funds</li> </ul>
Revise CIG funding assumptions to lower the annual CIG funding to no more than \$100M per year	<ul style="list-style-type: none"> <li>CIG funding assumption lowered to \$100M per year; despite this action increasing project cost</li> </ul>	None
Address FTA concerns regarding the optimistic Project cost estimate	<ul style="list-style-type: none"> <li>NJT worked with FTA’s Project Management Oversight Contractor (PMOC) on project cost and accepted numerous recommendations to successfully lower cost</li> <li>NJT and Amtrak entered into agreement to split cost overruns 50-50 and NJT set aside \$100M for their share of cost overruns</li> </ul>	<ul style="list-style-type: none"> <li>Address FTA concerns regarding the “optimistic” Project cost estimate</li> <li>Demonstrate financial capacity to cover an overrun of at least 10% of project cost</li> </ul>

# Hudson Tunnel Project – FTA Project Rating

The FY2020 submission contained a strong local commitment that meets and exceeds the level required by FTA at this stage of the CIG process; the local contributions from PANYNJ, NY, and NJ represent 89% of the local funds needed to build the new Hudson River Tunnel.

**Given the unanimous action by the PANYNJ Board in June 2018, 34.8% of the non-CIG funds should be considered “Committed” or “Budgeted” - Greater than the 30% needed for a “Medium” rating from FTA.**

FY2019 FTA’s Top 3 Recommendations for Improvement of Rating	FY2020 Actions by Project Partners to Improve Rating	FY2020 FTA Rating Response
Obtain commitments Local Share of funds	<ul style="list-style-type: none"> <li>June 2018 PANYNJ Board Resolution confirming \$2.7B for Hudson Tunnel</li> <li>New Jersey and New York Funding Commitments</li> </ul>	<ul style="list-style-type: none"> <li>None of the local funds are committed or budgeted</li> </ul>
Provide details on the local, project-related revenues	<ul style="list-style-type: none"> <li>June 2018 PANYNJ Board Resolution confirming \$2.7B for Hudson Tunnel</li> <li>New Jersey and New York Funding Commitments</li> </ul>	<ul style="list-style-type: none"> <li>The capital funding sources for the project are optimistic</li> </ul>
Explain how private capital would be acquired for the Project	<ul style="list-style-type: none"> <li>The Financial Plan – for the time being – removed unsourced private capital and replaced it with identifiable local commitments from PANYNJ, NJ, and NY</li> </ul>	None

# Hudson Tunnel Project



# Hudson Tunnel Project – Value for Money Analysis

GDC is undertaking an analysis to determine the best-value strategy for procuring and constructing the new Hudson River Tunnel

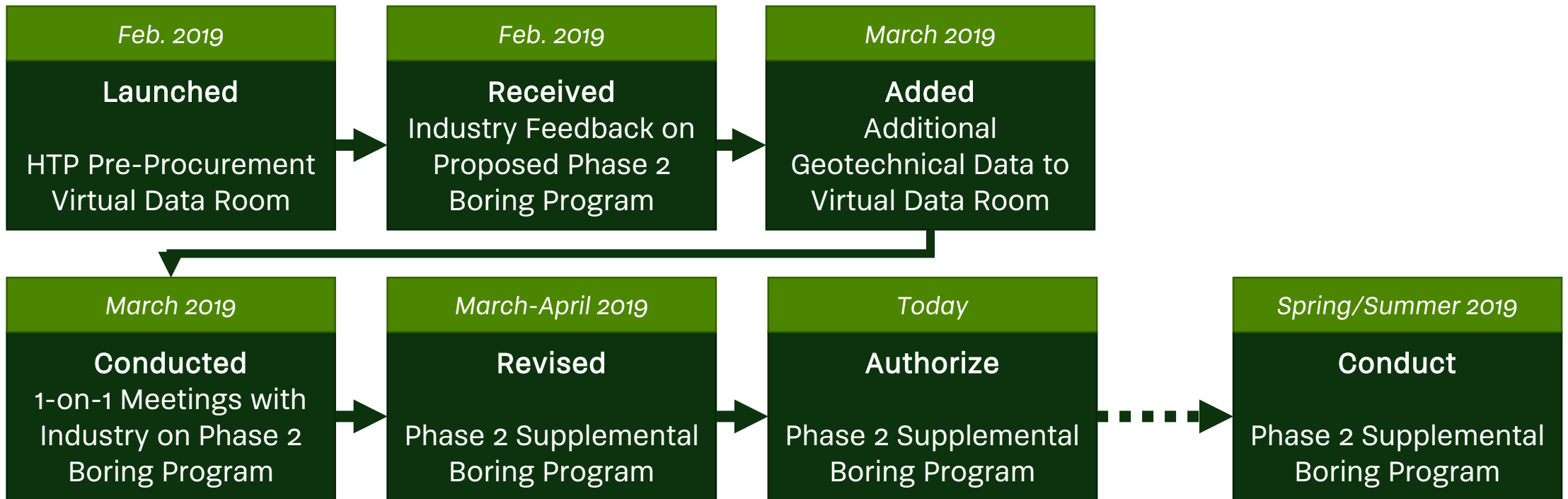
## **Value for Money Analysis Includes:**

- **Identifying, Analyzing, Valuing, and Allocating Project Risks**
- **Establishing Project Contracting Goals**
- **Developing Contract Scenarios**
- **Identifying Procurement Options (Design-Build, Design-Bid-Build, PPP, etc.)**

**This Analysis is On-Going and Will Help Inform GDC's Procurement Decisions**

# Hudson Tunnel Project – Phase 2 Supplemental Boring Program

Additional Geotechnical Investigations Can Help Reduce Unknowns, Reduce Construction Risks, and Reduce project cost





# Program Updates



# Portal Bridge: Interim Improvement

Restricting hours of operation to primarily non-rush hours increases reliability for passengers



- Temporary rule change prohibits opening during rush hour (5a-10a, 3p-8p) with limited exception and advance notice
- Change requested by Amtrak at suggestion of Senators Menendez and Booker and Governor Murphy
- Coast Guard led engagement with marine community to arrive at temporary compromise
- Long-term solution is a new, higher-clearance fixed span that does not need to open & close

# Continued Stakeholder Support

## Key briefings for lawmakers & committee staff:

- Sens. Schumer, Menendez, Booker, Gillibrand
- House T&I Committee Staff
- New York-New Jersey House Delegations

## Legislative proposals:

- Letter of No Prejudice Reform (Sen. Schumer)
- Plan B Legislation (Reps. Gottheimer-King)

## FY20 Appropriations:

- \$500m for CIG in President's Budget

## Regional Plan Association: "A Preventable Crisis" Report *If we lost one of the two tracks under the Hudson River:*

- \$16 billion loss to the National economy
- \$22 billion loss in property values
- Increased congestion
- Increased pollution



# Thank You



GDC is a not-for-profit corporation overseeing the development of the Gateway Program in cooperation with Amtrak, NJ TRANSIT, and the Port Authority of NY & NJ.



**GATEWAY PROGRAM**

# Hudson Tunnel Project – Project Counsel Request for Proposals (RFP)

GDC's Hudson Tunnel Project Counsel will be a key part of the team, together with GDC's financial advisor, helping to procure and execute delivery of the new Tunnel

## **Expected Tasks:**

- **Governance**
- **Project Development**
- **Project Procurement**
- **Funding and Financing**

**RFP materials will be available at [GatewayProgram.org](http://GatewayProgram.org)**