Portal North Bridge Project Hudson County, New Jersey Core Capacity Project Development (Rating Assigned February 2017)

Summary Description			
Proposed Project:	Commuter Rail Capacity Improvement		
	2.3 Miles		
Core Capacity Capital Cost (\$YOE):	\$1,642.20 Million (Includes \$101.1 million in finance charges)		
Section 5309 Core Capacity Share (\$YOE):	\$811.25 Million (49.4%)		
Annual Operating Cost (opening year 2023):	\$1.50 Million		
Existing Ridership in the Corridor:	184,600 Daily Linked Trips		
	51,695,800 Annual Linked Trips		
Existing Seated Load:	98.0%		
Overall Project Rating:	Medium-High		
Project Justification Rating:	Medium-High		
Local Financial Commitment Rating:	Medium-High		

Project Description: The Port Authority of New York and New Jersey (PANYNJ), New Jersey Transit Corporation (NJ TRANSIT) and the National Railroad Passenger Corporation (Amtrak), propose the construction of a new, two-track fixed structure railroad bridge across the Hackensack River in Hudson County, New Jersey along the Northeast Corridor (NEC). The existing moveable swing span bridge has only 23 feet of vertical clearance above the mean high water level and must pivot open to allow maritime traffic to pass through, closing the bridge to rail traffic and interrupting operations on the NEC for both Amtrak and NJ TRANSIT. Additionally, the "miter rails," which allow the rails to disengage and the bridge to open and close, permanently restrict speeds on the bridge to 60 miles per hour, while trains can operate at 90 miles per hours on adjacent portions of the NEC. These conditions create bottlenecks along the NEC, especially during peak commute hours. The new bridge will provide enough vertical clearance to accommodate current and forecast maritime traffic and allow trains to operate at higher speeds. The proposed project also includes the purchase of 25 multilevel commuter railcars for NJ TRANSIT to expand its service in the corridor. The project sponsors estimate the project will expand commuter rail capacity in the corridor by 10 percent, which meets the requirement in law for Core Capacity projects.

Project Purpose: The existing Portal Bridge is a vital element of the NEC, the most heavily used passenger rail line in the U.S. in terms of ridership and service frequency. Existing NJ TRANSIT commuter rail ridership and Amtrak NEC ridership has continuously increased since 2005. Multiple NJ TRANSIT commuter rail lines feed into and utilize the Portal bridge. The existing Portal Bridge is a swing-type drawbridge that is over 100 years old, and increasingly prone to mechanical failures when it opens and closes. Due to the bridge's low vertical clearance, it must open for maritime traffic to pass through, which hinders commuter rail service expansion and reliability. The project sponsors expect the new Portal bridge will improve the reliability of commuter rail service, reduce bridge maintenance efforts and cost, and increase commuter rail speed and capacity.

Project Development History, Status and Next Steps: The project was included in the financially constrained long range metropolitan transportation plan in September 2013. The locally preferred alternative was selected in Fall 2016. The project entered Core Capacity Project Development in July 2016. The project sponsors anticipate the project will enter Engineering in 2017, receive a Full Funding Grant Agreement in 2018, and be completed in 2023.

Locally Proposed Financial Plan			
Source of Funds	Total Funds (\$million)	Percent of Total	
Federal:			
Section 5309 Core Capacity	\$811.25	49.4%	
FHWA Flexible Funds (Congestion Mitigation and Air Quality Program)	\$118.91	7.2%	
TIGER Discretionary Grant	\$14.48	0.9%	
State: Railroad Rehabilitation and Improvement Financing Loan Backed by New Jersey Transportation Trust Fund Revenues	\$335.04	20.4%	
New Jersey Transportation Trust Fund Revenues	\$57.97	3.5%	
Local: Railroad Rehabilitation and Improvement Financing Loan Backed by PANYNJ Revenues	\$284.00	17.3%	
PANYNJ Net Revenues	\$20.55	1.3%	
Total:	\$1,642.20	100.0%	

NOTE: The financial plan reflected in this table has been developed by the project sponsors and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

NJ, Hudson County, Portal North Bridge Project (Rating Assigned February 2017)

Factor	Rating	Comments
Local Financial Commitment Rating	Medium- High	
Non-Section 5309 Core Capacity Share	+1	The Core Capacity share of the project is 49.4 percent.
Project Financial Plan	Medium	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium	 The average age of the New Jersey Transit (NJT) bus fleet is 7.2 years, which is in-line with the industry average. The most recent bond ratings for the Port Authority of New York and New Jersey (PANYNJ), issued in November 2016, are as follows: Moody's Investors Service Aa3, Fitch's AA- and Standard & Poor's Corporation AA NJT's current ratio of assets to liabilities as reported in its most recent audited financial statement is 0.81 (FY2016). There have been no NJT service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium-High	 Approximately 57 percent of the non-Section 5309 Core Capacity funds are committed or budgeted, and the rest are considered planned. Sources of funds include Federal Congestion Mitigation and Air Quality Improvement Program funds, Transportation Investment Generating Economic Recovery funds, a Railroad Rehabilitation and Improvement Financing loan from the US Department of Transportation, funds from the State of New Jersey Transportation Trust Fund, and PANYNJ revenues. Approximately 66 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include Federal Section 5307 Urbanized Area Formula Program funds and Section 5337 State of Good Repair funds, State operating assistance, and passenger fares and other sources of system-generated operating revenues.

Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	 Growth in capital revenue assumptions is reasonable compared to recent historical experience. The capital cost estimate is reasonable. Regarding growth in operating revenue assumptions, farebox collections are optimistic and State operating assistance is optimistic compared to recent historical experience. Operating cost estimates are reasonable compared to recent historical experience. No funding is currently available to cover Project cost increases or funding shortfalls. NJT does not have access to funds via additional debt capacity, cash reserves, or other committed funds to cover annual system wide operating
		expenses in excess of the current forecast.

