

**Portal North Bridge
Hudson County, New Jersey
Core Capacity Project Development
(Rating Assigned November 2018)**

Summary Description	
Proposed Project:	Commuter Rail Capacity Improvement 2.3 Miles
Core Capacity Capital Cost (\$YOE):	\$1,641.95 Million <small>(Includes \$233.0 million in finance charges)</small>
Section 5309 CIG Share (\$YOE):	\$811.12 Million (49.4%)
Annual Operating Cost (opening year 2024):	\$2.20 Million
Existing Ridership in the Corridor:	169,500 Daily Linked Trips 51,695,800 Annual Linked Trips
Existing Seated Load:	98.0%
Overall Project Rating:	Medium-Low
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium-Low

Project Description: The New Jersey Transit Corporation (NJ TRANSIT) in cooperation with the Gateway Program Development Corporation (GDC), the Port Authority of New York and New Jersey (PANYNJ), 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 hour on adjacent portions of the NEC. These conditions create bottlenecks along the NEC, especially during peak commute hours. The new bridge is planned to 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 is estimated to 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 is 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 to 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 project entered Core Capacity Project Development in July 2016. The locally preferred alternative was selected in Fall 2016. The National Environmental Policy Act requirements were completed with adoption by FTA of the Federal Railroad Administration (FRA) Record of Decision in July 2017. NJ TRANSIT anticipates entry into Engineering in 2019, receipt of a Full Funding Grant Agreement in 2019, and completion of the project in 2024.

Significant Changes Since Last Evaluation (November 2017): The overall project cost increased by \$66 million, from \$1,562.72 million to \$1,641.95 million due to several factors. NJ TRANSIT altered the contract packaging for the construction work, which helped to reduce some costs. NJ TRANSIT also significantly changed the proposed funding sources, which led to an increase in the finance charges from \$134.1 million to \$233.0 million. Lastly, NJ TRANSIT increased its requested CIG funds from \$771.99 million to \$811.12 million, maintaining a 49.4 percent CIG funding share.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 Core Capacity	\$811.12	49.4%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Program)	\$81.59	5.0%
FRA Amtrak Funds	\$21.00	1.3%
State:		
New Jersey Economic Development Authority Bonds repaid with New Jersey Transportation Trust Fund (NJTTF) Revenues	\$499.40	30.4%
NJTTF Revenues	\$208.44	12.7%
NJ Transit (Local Match to CMAQ from NJTTF Revenues)	\$20.40	1.2%
Total:	\$1,641.95	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor 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 November 2018)**

Factor	Rating	Comments
Local Financial Commitment Rating	Medium-Low	
Non-Section 5309 CIG Share	n/a	Federal Public Transportation Law, 49 USC 5309(q)(3), requires FTA to evaluate the proposed share from sources other than the Section 5309 Capital Investment Grants (CIG) program based on the unified finance plan for the entire joint public transportation and intercity passenger rail project. Although the CIG share is less than 50 percent of the total cost of the joint intercity rail and public transportation project, the project does not qualify for a one-step rating increase since the financial plan is rated Medium-Low.
Project Financial Plan	Medium-Low	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-Low	<ul style="list-style-type: none"> • The average age of the New Jersey Transit (NJT) bus fleet is 9.3 years, which is older than the industry average. • The most recent bond ratings for the New Jersey Transportation Trust Fund Authority (NJTTFA), as of October 2018, are as follows: Moody's Investors Service, Baa1; Standard & Poor's Corporation, BBB-plus; and Fitch Ratings, A-minus. • NJT's current ratio of assets to liabilities as reported in its most recent audited financial statement is 0.88 (FY2017). • There have been no major NJT service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> • Approximately 37 percent of the non-CIG funds are committed or budgeted, and the rest are considered planned. Sources of funds include Federal Congestion Mitigation and Air Quality Improvement funds, National Railroad Passenger Corporation (Amtrak) funds, NJTTF revenues, and bonds issued by the New Jersey Economic Development Authority repaid from NJTTF revenues.

		<ul style="list-style-type: none"> • Approximately 62 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 used for preventive maintenance; State operating assistance from the general fund, casino revenues, NJ Turnpike revenues, and NJTTF revenues; 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	<ul style="list-style-type: none"> • Assumed growth in capital revenues is reasonable compared to recent historical experience. • The capital cost estimate is optimistic. • Regarding assumed growth in operating revenue assumptions, farebox collections are optimistic and state operating assistance is very optimistic compared to recent historical experience. • Operating cost estimates are optimistic compared to recent historical experience. • NJT did not demonstrate access to funds via additional debt capacity, cash reserves, or other committed funds to cover any capital cost increases or funding shortfalls, or annual system-wide operating expenses.

PORTAL NORTH BRIDGE PROJECT - KEARNY AND SECAUCUS, NJ

