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

Summary Description		
Proposed Project:	Commuter Rail Capacity Improvement	
	2.3 Miles	
Core Capacity Capital Cost (\$YOE):	\$1,562.72 Million (Includes \$134.1 million in finance charges)	
Section 5309 Core Capacity Share (\$YOE):	\$771.98 Million (49.4%)	
Annual Operating Cost (opening year 2023):	\$0.30 Million	
Existing Ridership in the Corridor:	184,600 Daily Linked Trips	
	51,695,800 Annual Linked Trips	
Existing Useable Space per Passenger:	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), 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 hours 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 locally preferred alternative was selected in Fall 2016. The project entered Core Capacity Project Development in July 2016. NEPA was completed with adoption by FTA of the Federal Railroad Administration's Record of Decision in July 2017. The project sponsors anticipate entry into Engineering in 2018, receipt of a Full Funding Grant Agreement in 2018, and completion of the project in 2024.

Significant Changes Since Last Evaluation (February 2017): The project sponsor removed elements funded by a Federal Railroad Administration Transportation Investment Generating Economic Recovery (TIGER) grant and associated matching funds for the project, resulting in a decrease in the overall project cost from \$1,642.20 million to \$1,562.72 million. The finance charges associated with the project increased from \$101.1 million to \$134.1 million. NJ TRANSIT also decreased its requested amount of Section 5309 Core Capacity funds from \$811.25 million to \$771.99 million, maintaining a 49.4 percent Core Capacity funding share.

Locally Proposed Financial Plan			
Source of Funds	Total Funds (\$million)	Percent of Total	
Federal: Section 5309 Core Capacity FHWA Flexible Funds (Congestion	\$771.99 \$118.91	49.4% 7.6%	
Mitigation and Air Quality Program)	ψι ιο.στ	7.070	
State: New Jersey Economic Development Authority Bonds backed by New Jersey Transportation Trust Funds	\$336.55	21.5%	
New Jersey Transportation Trust Fund Revenues	\$29.73	1.9%	
Local: Transportation Infrastructure Finance and Innovation Act Loan Backed by PANYNJ Revenues	\$284.00	18.2%	
PANYNJ Net Revenues	\$21.55	1.4%	
Total:	\$1,562.72	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 2017)

Factor	Rating	Comments
Local Financial Commitment Rating	Medium-Low	
Non-Section 5309 Core Capacity 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. The proposed CIG share is 45.3 percent of the total joint intercity rail and public transportation project cost of \$1.7 billion. However, the project does not qualify for a one-step rating increase since the project financial plan is rated Medium-Low.
Project Financial Plan	Medium-Low	
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 New Jersey Transportation Trust Fund Authority (NJTTFA), issued in November 2015, are as follows: Moody's Investors Service A3, Fitch's A- and Standard & Poor's Corporation A 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-Low	 Approximately 21 percent of the non-Section 5309 Core Capacity funds are committed or budgeted, and the rest are considered planned. Sources of funds include Congestion Mitigation and Air Quality Improvement funds, New Jersey Transportation Trust Fund (NJTTF) revenues, bonds issued by the New Jersey Economic Development Authority repaid from NJTTF revenues, and Transportation Infrastructure Finance and Innovation Act loan proceeds repaid by Port Authority of New York and New Jersey funds. Approximately 67 percent of the funds needed to operate and maintain the NJT system in the first full year of operation of the project 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	 Assumed growth in capital revenues is reasonable compared to recent historical experience, but annual CIG funding assumptions are optimistic. The capital cost estimate is optimistic. Regarding assumed growth in operating revenues, 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. NJT has access to funds via additional debt capacity, cash reserves, or other committed funds to cover cost increases or funding shortfalls equal to at least 15 percent of estimated project cost. NJT does not have access to funds via additional debt capacity, cash reserves, or other system wide operating expenses in excess of the current forecast.

