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Andrew Cuomo's Proposal for Building Spree Has Little Money to Back it

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By Yancey Roy

Gov. Andrew M. Cuomo's proposal for New York's grandest building spree in decades has a catch: how to pay for it, experts say.

By and large, the governor's vision of \$100 billion worth of construction projects is aspirational — and, in some budget hawks' view, highly debatable — with little money to back it up for now.

For instance, most of the money that's supposed to go for the Metropolitan Transportation Authority capital plan isn't there, much less funds for a third Long Island Rail Road track. Cuomo counts on one-fourth of the \$100 billion coming from federal coffers but spells out no plan yet on how to get it.

Not all of the projects are new and many of them, if eventually launched, would be financed over many years through public authorities whose spending technically doesn't count in the state budget — keeping the sticker price of this year's state budget down, analysts said.

E.J. McMahon of the Empire Center think tank said that for now, there's a "disparity between rhetoric and financial reality."

A Cuomo aide downplayed the criticism.

"These vital infrastructure projects, as previously stated, will be funded over multiple years from a combination of state, federal and private resources," Cuomo spokesman Rich Azzopardi said.

"There will always be cynics who say, 'This can't be done' " — in Albany that's a profession — but the Tappan Zee Bridge and LaGuardia are real examples of what's needed to move New York forward."

Assembly Speaker Carl Heastie (D-Bronx) and Senate Majority Leader John Flanagan (R-East Northport) so far have been noncommittal.

"It's extraordinarily ambitious," Flanagan said of Cuomo's proposals, "but the reality is, if we don't find a way to pay for all of this stuff, it's not going to mean anything."

Cuomo, a Democrat, took over as governor when New York was still trying to recover from the Great Recession. He began by cutting spending and calling himself a "progressive who's broke," unable to bankroll big-ticket items.



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That changed as the economy improved and New York collected billions of dollars for its share of national settlements with financial institutions. He's pushed ahead with a plan to replace the Tappan Zee Bridge over the Hudson River (even though financing isn't completely lined up yet for the estimated \$4 billion project) and LaGuardia Airport (another \$4 billion) as he looks to build a legacy of building and rebuilding infrastructure.

Cuomo, in his recent State of the State address, opened his sixth year in office by going further. The Democrat proposed a construction agenda that "would make Governor Rockefeller jealous," referring to New York's last big building spree five decades ago when Nelson Rockefeller expanded the state university and highway systems and built the Empire State Plaza that dominates downtown Albany.

Cuomo's projects include overhauling Penn Station, expanding the Javits Center for conventions, adding the third LIRR track and studying the feasibility of a traffic tunnel under Long Island Sound.

Some of the funding "goes through the MTA. Some through the Port Authority. And some projects, like Penn Station and the Javits Center, are just in the idea stage," said Tammy Gamerman, a senior research associate at the Citizens Budget Commission, a fiscal watchdog group. "I think the governor is trying to start a conversation about infrastructure needs. But the reality is, the financing has not been identified for most of these projects."

Cuomo is looking to complete what's become a signature project to him: a new Tappan Zee Bridge. The administration is counting on a \$1.6 billion loan from the federal government, \$1.2 billion borrowed through bonds issued by the Thruway Authority and about \$1.2 billion through the Transportation Department's capital funds, though these funds aren't all lined up yet. The administration also hasn't said how it will affect the bridge's tolls — which the feds will have to see before the loan is made accessible — though it has promised no increase before 2020.

To create "parity" with downstate investments, Cuomo said he wanted to spend \$22 billion on upstate roads and bridges. But that's not a big increase: the state's capital plan last year already called for \$20 billion, Gamerman said.

She said the governor doesn't allot "any new money" to help the MTA begin to realize its \$8.3 billion capital plan, but instead promised to help fund it after the MTA "exhausts its own resources."

Cuomo, in the week leading up to his speech, said he wanted to "think big," setting ambitious goals.

"We must provide the vision and the daring for the next generation," the governor said in his address. "To continue to grow in size and strength, we must develop a new, interconnected, planned system of mass transportation, roads and bridges and airports for the next 100 years."



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His budget division has said it envisions the \$100 billion worth of projects occurring over a number of years. It also projected \$29 billion eventually would come from the state budget, \$25 billion from federal coffers, \$15 billion from the private sector, \$13 billion from the MTA and \$12 billion from the Port Authority.

In a later TV interview, Cuomo said he'd use a "design-build" process that would lower costs and speed construction time.

Some state lawmakers have unsuccessfully tried to obtain details of the plan.

When Assemb. James Brennan (D-Brooklyn) asked at a hearing Wednesday what funding sources the Cuomo administration would use to improve roads bridges and tunnels, state Transportation Commissioner Matt Driscoll replied: "State funding."

"Is it cash from the general fund? Is it borrowing," Brennan continued.

"That would be a question for the Department of Budget," Driscoll said.

"Is it not included in your budget, how they will be financed?" Brennan asked.

"They're state funds," Driscoll repeated.

"OK, no more questions," an exasperated Brennan concluded.