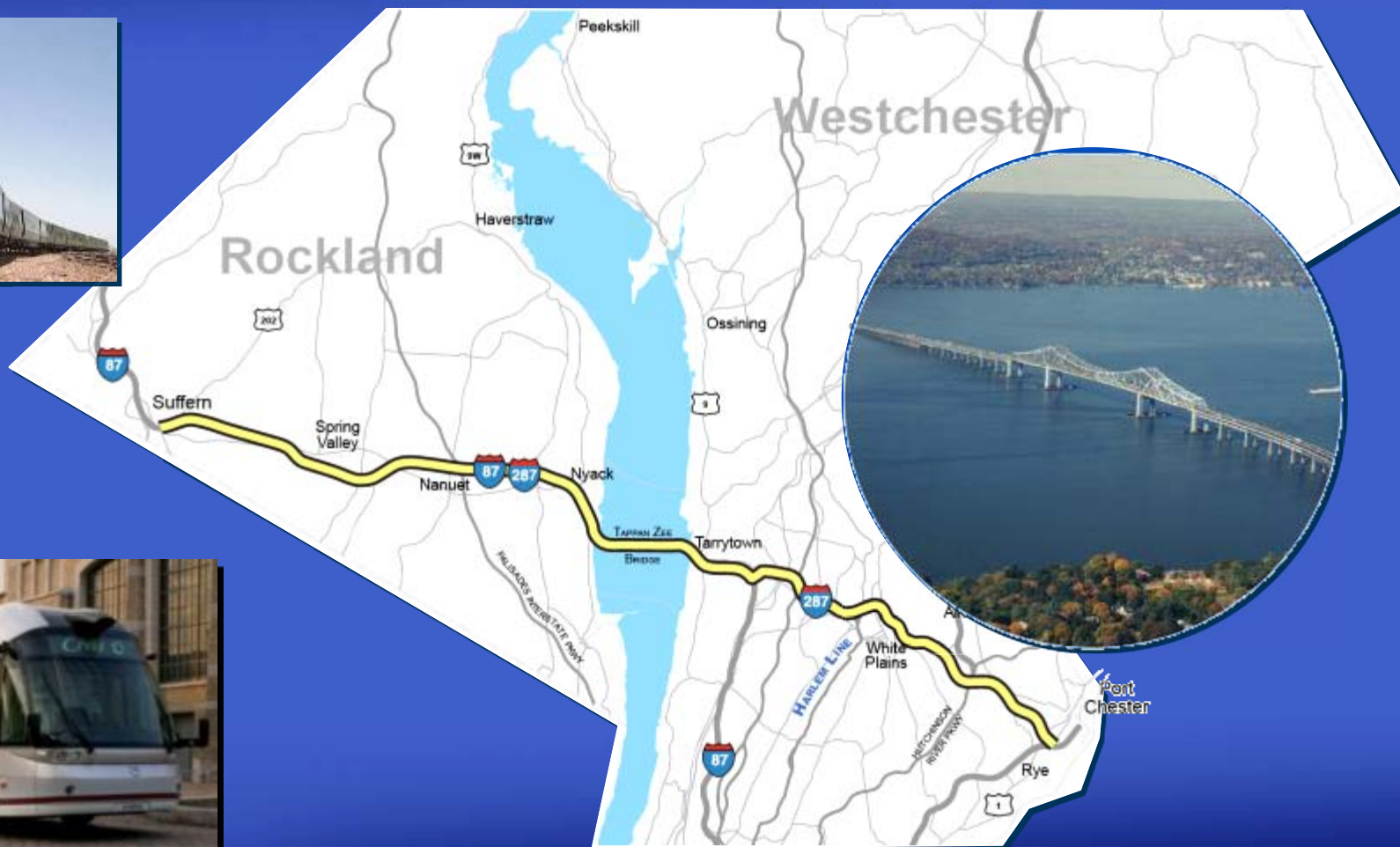




Stakeholders Advisory Working Group

FINANCE

July 7, 2009



New York State
Department of Transportation



Metro-North Railroad



New York State
Thruway Authority



What are SAWG's?

- 5 Stakeholder Advisory Working Groups (SAWGs):
 - Traffic and Transit
 - Land Use
 - Finance
 - Environmental
 - Bridge Design
- Small hands-on groups from public, private, and non profit sectors
- Forum for exchange of information, discussion of issues, and solicitation of feedback the project team will take into consideration





SAWG Member Responsibilities

- X hours/month attending working group sessions
- No specialized knowledge necessary—technical information to be presented in layman terms
- Interest and commitment to participate in meetings
- Speak up and participate in meeting discussions
- If you represent an organization, keep it informed of SAWG information and give us its feedback





Description of SAWG's

- Workshop-style sessions will explore technical details of the project
- Team representatives will aid in discussions
- Each group is a work in progress
- Overlap between topics is expected





Etc.

Role of Facilitator

- Encourage full participation
- Promote understanding of the project
- Maintain meeting rules of engagement
- Focus meeting discussions

Frequency of Meetings

- TBD
- Start time 6:00 pm
- Location alternates between counties





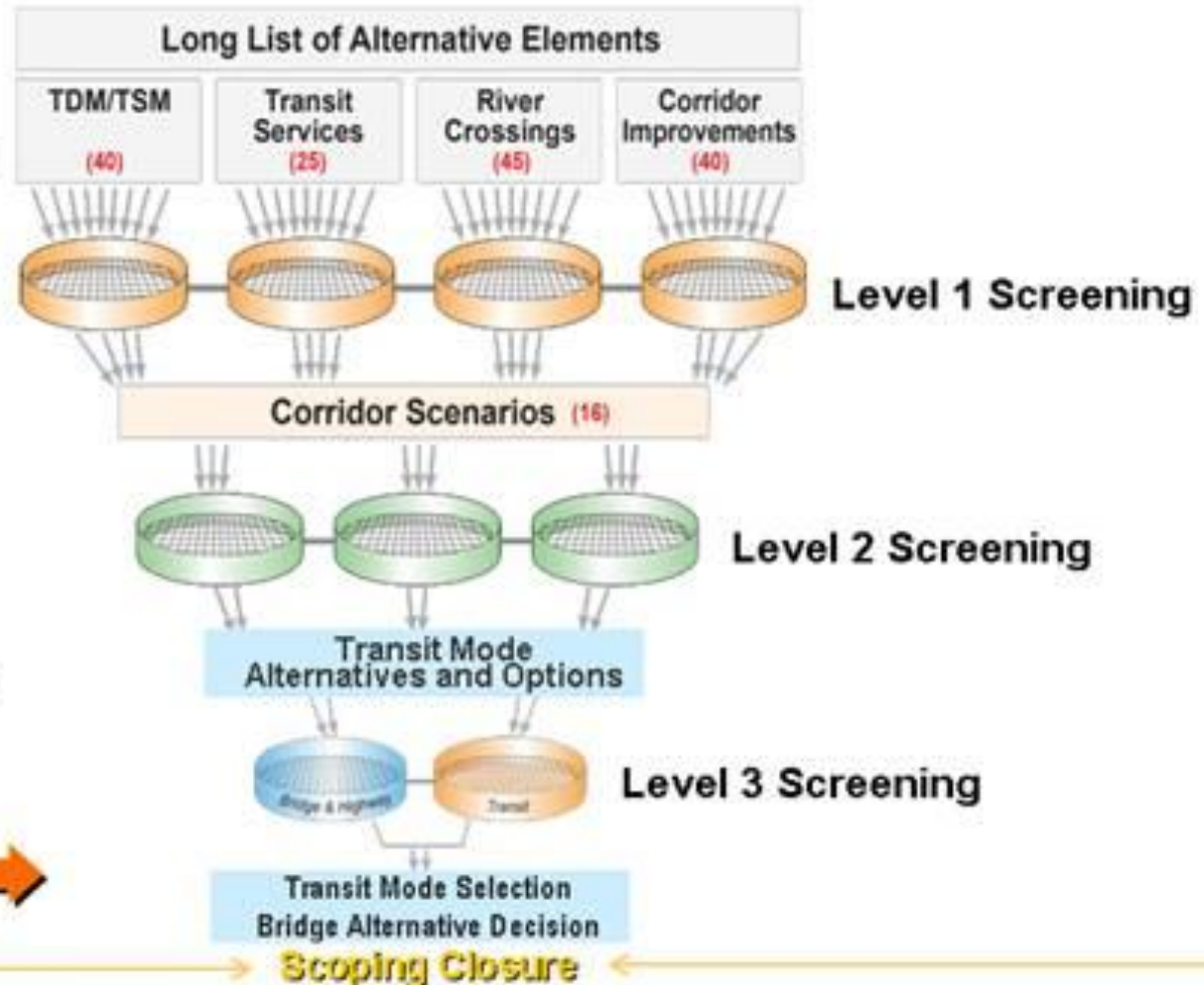
Project Study Status

- Scoping Meetings (January 2003)
- Scoping Update Meetings (February 2008)
- Public Information Meetings (October 2008)
- Scoping Closure (May 2009)



Alternatives Analysis Process

Initial NOI
December 2002



Alternatives
Analysis



Revised NOI
February 2008





Four Reports Document Scoping Process

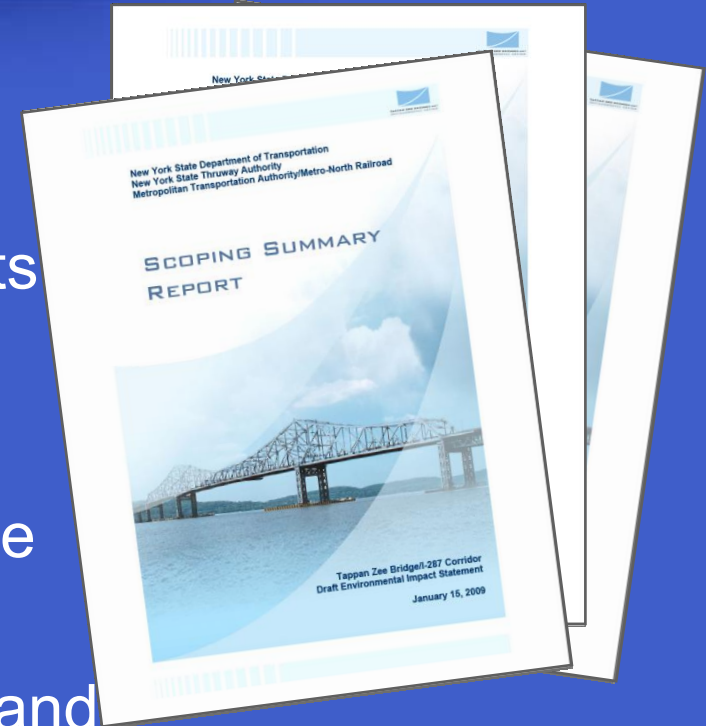
- Scoping Summary Report
- Scoping Comments Report
- Transit Mode Selection Report
- Alternatives Analysis for Bridge Rehabilitation and Replacement Report





Scoping Summary Report

- Presents project purpose and need
- Describes public outreach program
- Presents summary of public comments
- Affirms September '08 Recommendations
- Describes alternatives evaluated in the DEIS
- Presents the scope of environmental and transportation studies for the DEIS





Scoping Comments Report

- Provides individual responses to public comments
 - January 2003 Scoping Meetings
 - February 2008 Scoping Update Meetings
 - October 2008 Public Information Meetings
- Summarizes comments by category in a detailed matrix format
- Appendix includes copies of all comments received





TAPPAN ZEE BRIDGE/I-287
ENVIRONMENTAL REVIEW

Transit Mode Selection Report

New York State Department of Transportation
New York State Thruway Authority
Metropolitan Transportation Authority/Metro-North Railroad

**Tappan Zee Bridge/I-287
Environmental Review**

Transit Mode Selection Report

March 2009



New York State
Department of Transportation



Metro-North Railroad



New York State
Thruway Authority





Transit Mode Recommendation

- Develop and Analyze:
 - Full-Corridor Bus Rapid Transit for intra and inter county markets
 - Commuter Rail from Orange / Rockland to Grand Central Terminal
- Begin Tier 2 Transit DEIS upon conclusion of this study
- Implement Full-Corridor BRT in most expedient manner
- CRT advances as circumstances and finances dictate





Bridge Recommendation

Replacement of Tappan Zee Bridge

- Rehabilitation of existing bridge in-kind is not viable
- Rehabilitation options require extensive new work
- Rehabilitation options retain serious vulnerabilities
- Replacement options have high life cycle (150 yrs)





DEIS Alternatives



No Build

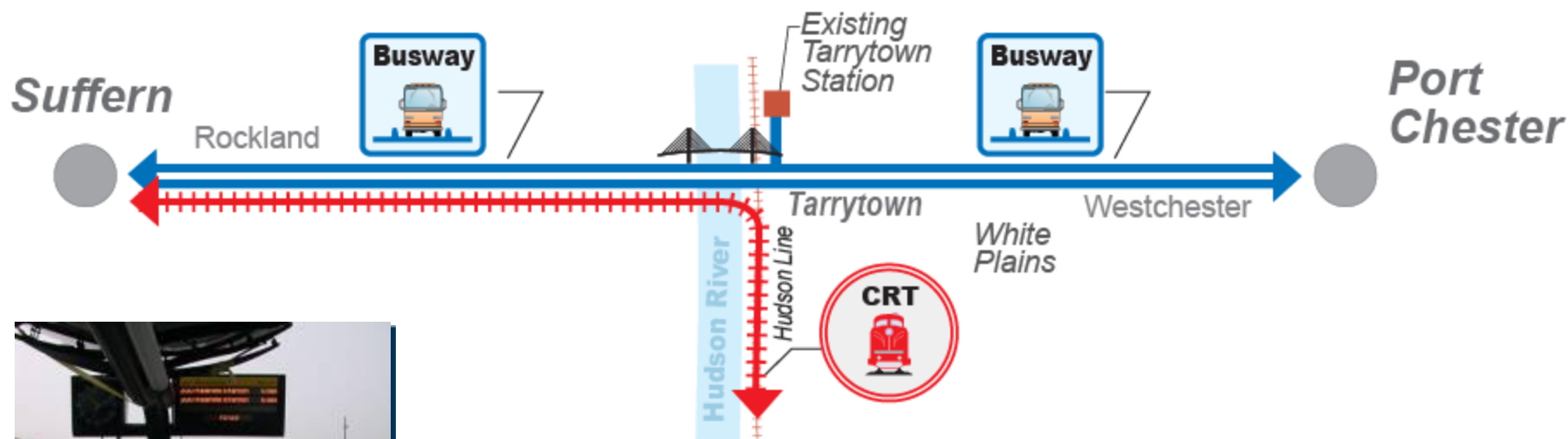


BRT Travel Ways

- **Busway**
 - Dedicated barrier-separated lanes
 - No mixed traffic
- **BRT/HOV Lanes**
 - BRT lanes shared with HOV vehicles
- **Bus Lanes**
 - Dedicated in-street lanes
 - No mixed traffic
 - Signal prioritization

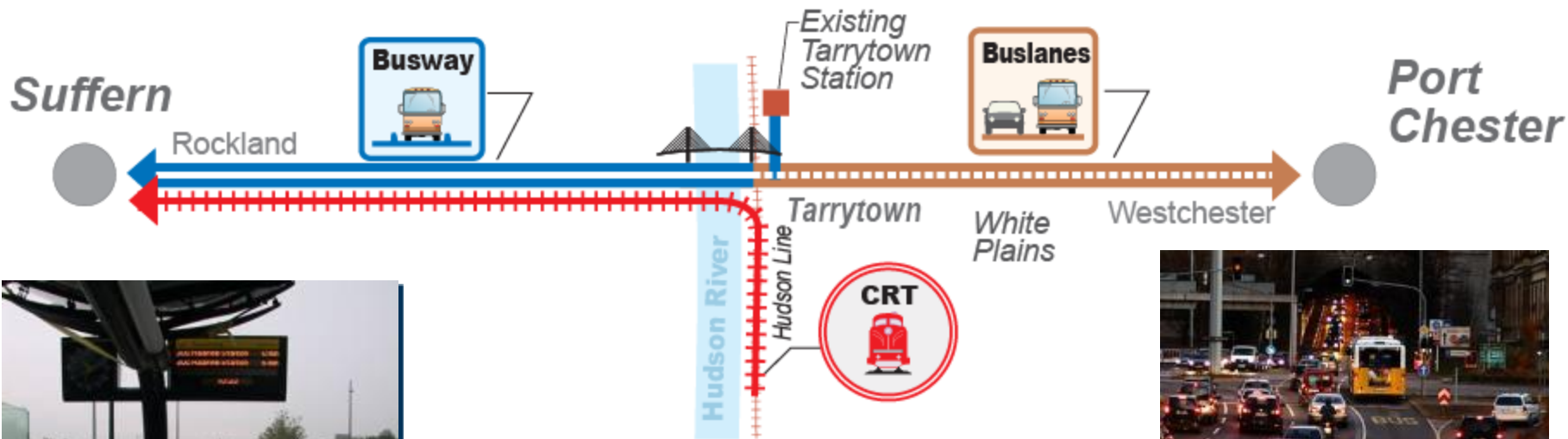


Busway in Rockland Busway in Westchester Rockland CRT

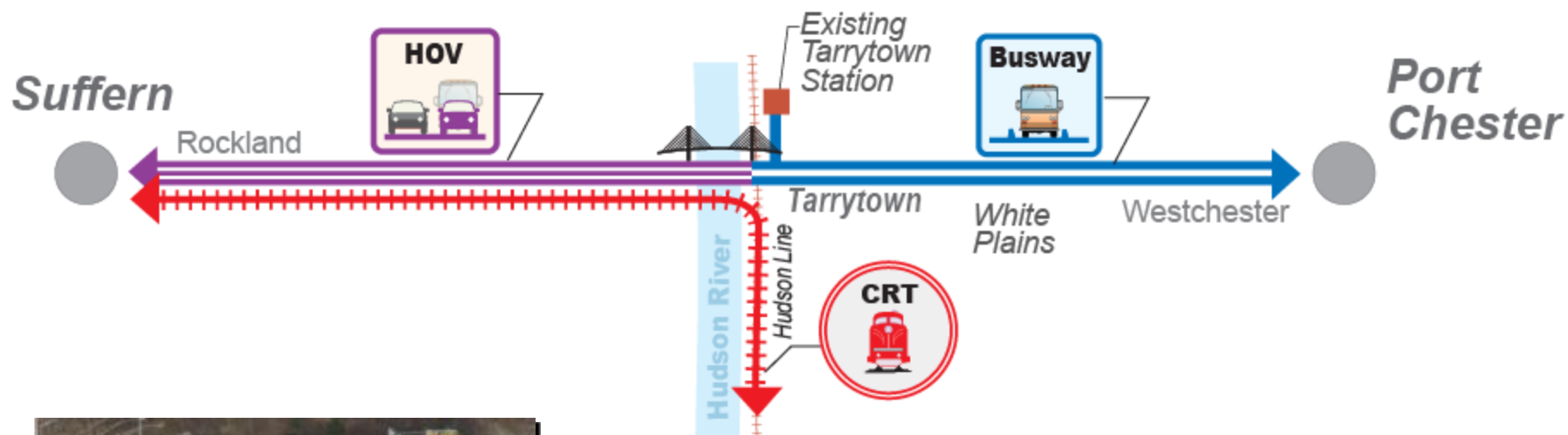




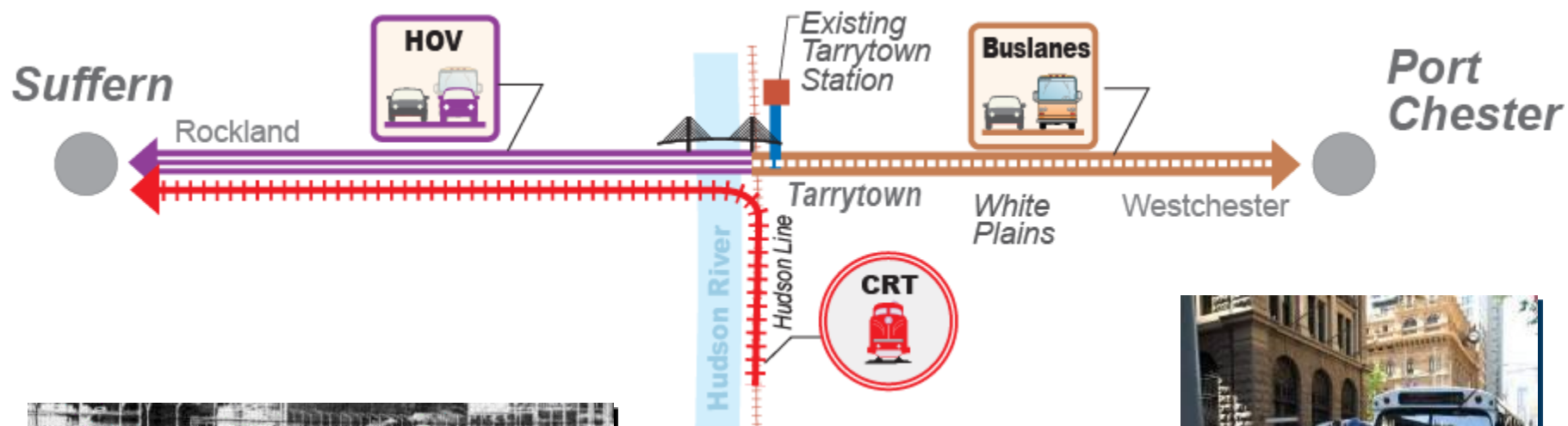
Busway in Rockland Bus Lanes in Westchester CRT in Rockland



HOV Lanes in Rockland Busway in Westchester CRT in Rockland



HOV Lanes in Rockland Bus Lanes in Westchester CRT in Rockland





Transit-Oriented Development Training

- Pilot program initiated to assist communities.
- Training includes fundamentals, site-specific contextual education and meaningful information.
- Collaboration with Westchester and Rockland Counties developing program content.
- Next steps:
 - Outreach to municipalities
 - Select sites for detailed analysis
 - Training sessions in the Fall.



[illegible]

- **Bridge Highway Design** 2011 – 2013
- **Bridge Construction** 2013 – 2017
- **Tier 2 Transit Study** 2011 – 2013



NYSDOT Finance Team

NYSDOT :	Philip Ferguson, Finance Manager Susan Kugler, Dir. Fin. Policy Bureau
NYSTA:	John Bryan
Metro-North:	Joe Pasanello
MTA:	William Wheeler





Finance Study Status

Bottom line:

- Completed the Preliminary Studies
- Hired a Financial Advisor
- Started our in-depth work
- Engaging local stakeholders





Foundational Work

Preliminary Financial Studies

- How much \$ is needed and where will it come from?
- What has worked elsewhere? <- case studies
- Unprecedented costs
 - Starting with 6 possible project designs
- No Funding Identified in Agency Budgets
 - Long term financing likely
 - How to calculate new revenue sources?
 - Transit AND highways – challenge for project financing





Foundational Work

Winter / Spring 2008

Project still evolving:

- 2 more replacement options
- decision to proceed with two tier process
- “Transit Ready Bridge” and Highways first

Early findings of study revealing challenges ahead





Early findings

Financial assessment

- Magnitude of gap beyond traditional financing

Case studies

- Complexities of successful mega-projects
- Solutions are custom to each project
- Sophisticated financing tools
- Reaching a politically and publicly supported solution
- Critical to have an experienced Financial Advisor





RFP for Financial Advisor

Five year contract

- Propose financing plan for entire project
- Support process of plan approval
- Then technically implement the solution
- Write the FHWA Major Projects Financial Plan

Conflict of Interest clause

- Assure we have an unbiased advisor
- Cannot participate in transactions from this contract





Financial Advisor Team

Merrill Lynch, Pierce, Fenner & Smith,
Incorporated

Loop Capital

Winston & Strawn LLP



New York State
Department of Transportation



Metro-North Railroad



New York State
Thruway Authority



Fall 2008 Breakthroughs

Economic downturn, revenue shortfalls
with severe budget impact on all agencies

Moving project forward >>

- Transit Mode and Bridge Recommendations
- Preliminary Financial Studies, Phase I Report
- FHWA approval to use Federal earmark for FA work
- Jan 2009 FA contract approved 5 yrs, funded for 1st yr





Detailed Study Begins

Spring 2009

Develop “Step 1 Management Plan”

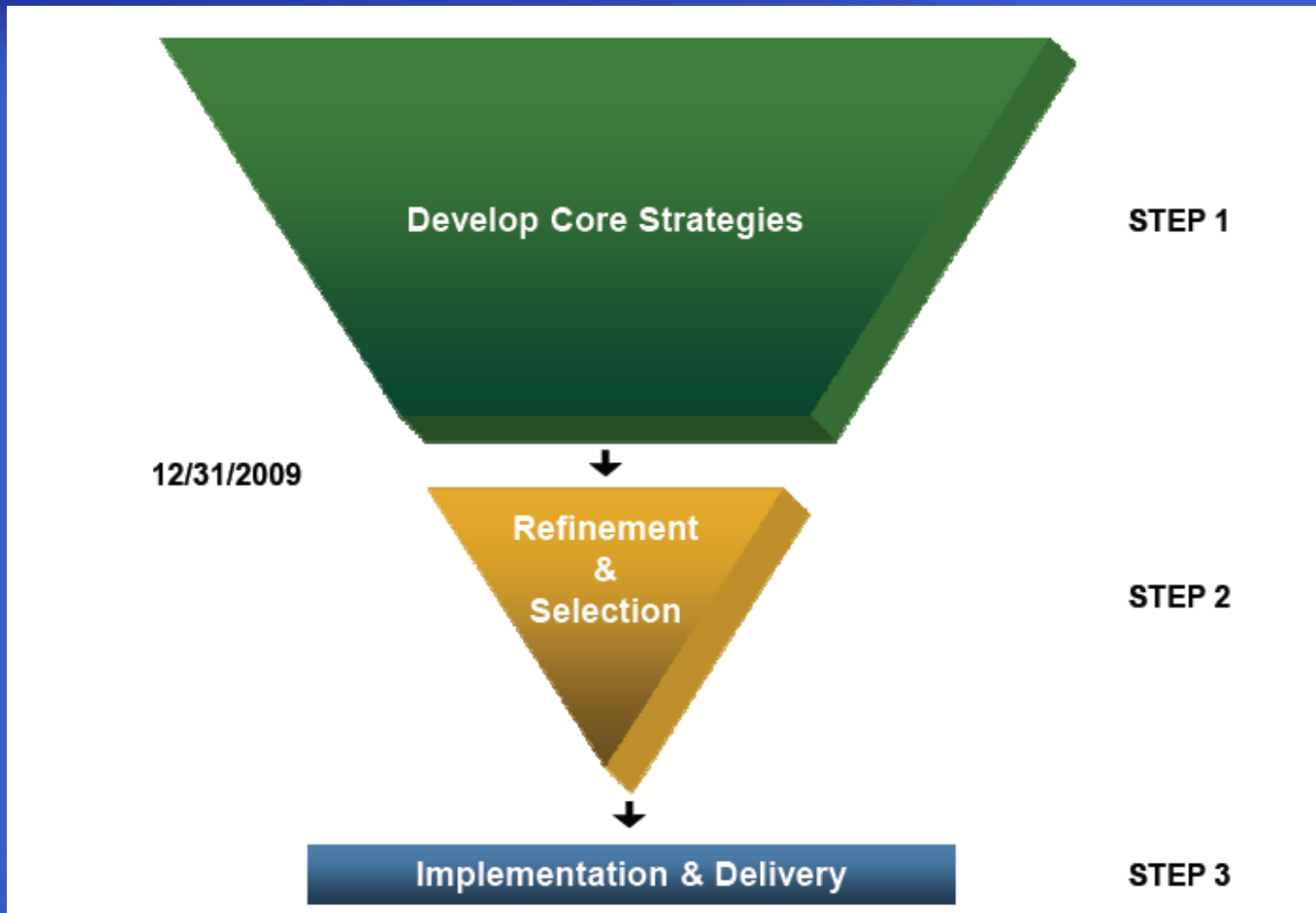
- Learn from turbulent economy
- Be adaptable up to when we need the \$ in place
- When do we need “the answer”?



<u>Environmental Study</u>						<u>Financial Plan - Step 1</u>						<u>Environmental Study</u>						<u>Financial Plan - Step 2</u>						<u>Environmental Study</u>					
S1 - Issue Scoping Summary Report S2 - Begin TOD Training Initiative S3 - Open House						F1 - Begin Work F2 - Approved Management Plan F3 - Preliminary Review F4 - Draft Core Strategies F5 - Final Core Strategies						S4 - Issue DEIS/Open House S5 - DEIS Public Hearings						F6 - Emerging Financial Plan F7 - Enhanced Financial Plan						S6 - Issue FEIS S7 - Record of Decision					
2009												2010												2011					
Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2		
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
F1				S1 S2					S3									S4		S5							S6		S7

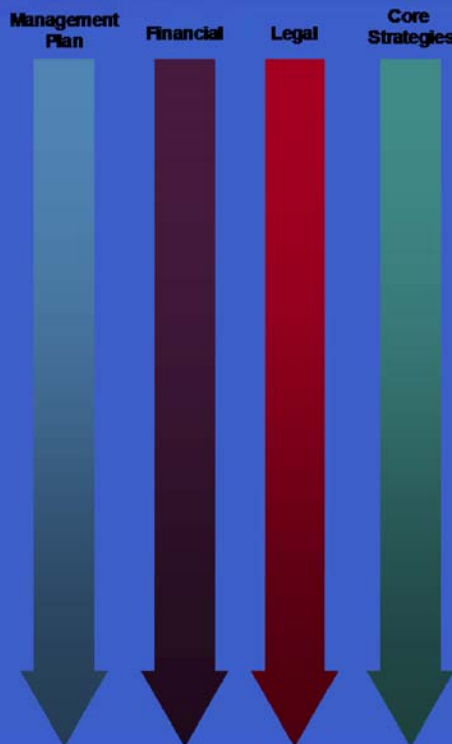
- **Bridge Highway Design** 2011 – 2013
- **Bridge Construction** 2013 – 2017
- **Tier 2 Transit Study** 2011 – 2013

Finance Study



Finance Study Step 1

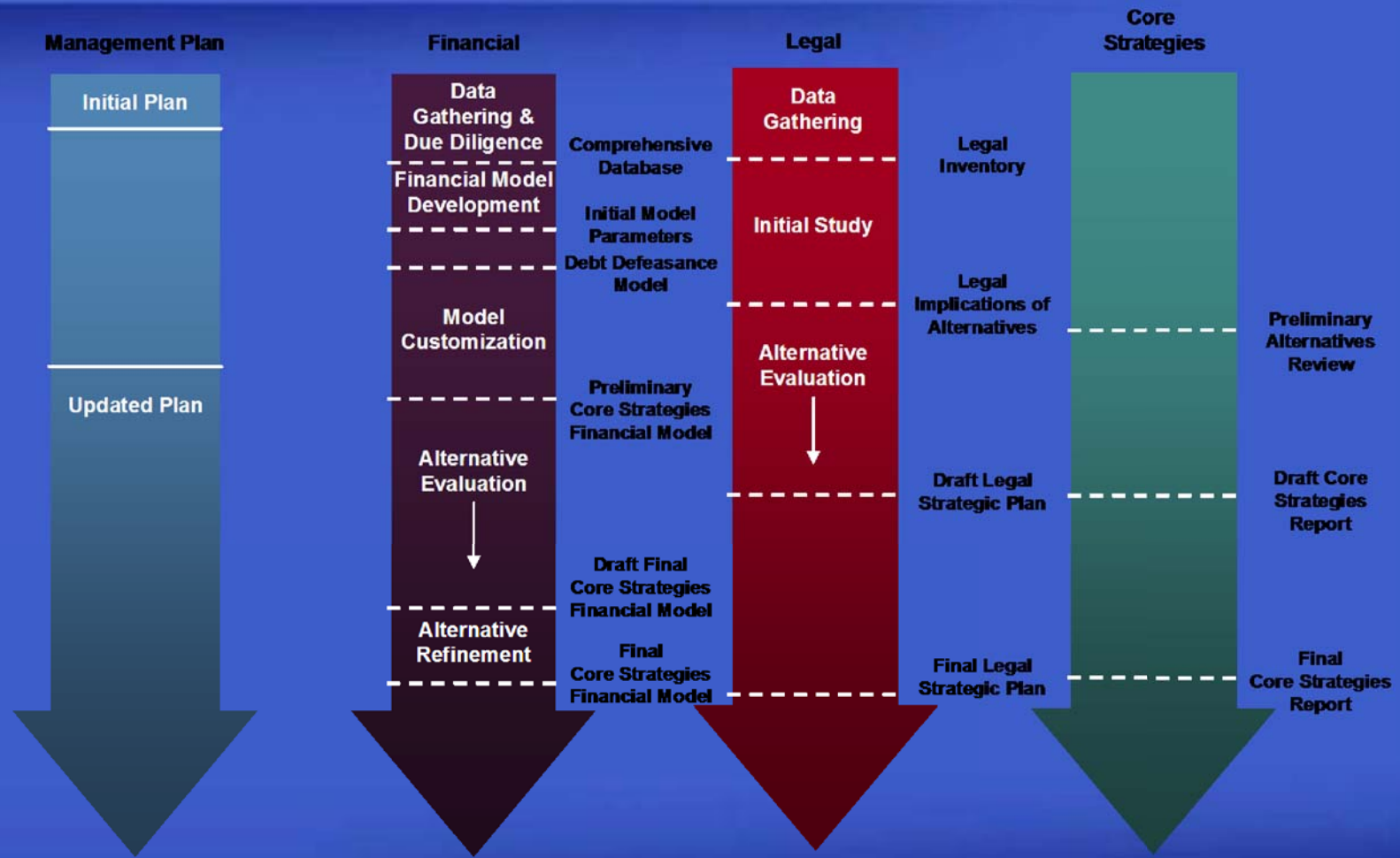
Work Streams Allow...



...A Narrowing of Potential Alternatives



Step 1 Work Streams





Step 1 Management Plan

Early Summer, 2009

- Comprehensive Database
- Initial Financing Model Parameters
- Legal Inventory
- Debt Defeasance Model





Step 1 Management Plan

Comprehensive Database

What data is needed vs what is available

- What costs? capital, maintenance, operations, eqpmt
- How far into the future? 99 years
- Geographic limits? Bridge, corridor, region, state?
- Revenues – what “new sources” are possible?

Identify gaps – use assumptions, gain traction in Step 1
- list what may need supplemental work in Step 2





Step 1 Management Plan

Initial Financing Model Parameters

Build a tool that makes sense out of LOTS of data and assumptions

Provides “sensitivity” – reveals the extent of the fiscal impact when changing variables (different scenarios)

Agree on the design and approach





Step 1 Management Plan

Legal Inventory

Throw the net wide on financing ideas – what laws and other legal issues MIGHT come into play?

Accumulated a long list of legislation and other legal documents

Comprehensive and can be added to as necessary





Step 1 Management Plan

Debt Defeasance Model

TZB is part of the Thruway system

General Resolution “Covenants” – All Thruway revenues pledged to all Thruway Bonds, terms & conditions for issuing additional bonds

“Defeasance” pay bondholders such that a different financing approach for TZB could be implemented

Calculate administrative cost to defease all bonds

Detail legal conclusions requiring defeasance





Step 1 Management Plan

Late Summer, 2009

- Preliminary Core Strategies Financing Model
- Legal Implications of Alternatives
- Preliminary Alternatives Review
- Updated Step 1 Management Plan





Step 1 Management Plan

Preliminary Core Strategies Financing Model

Settled on raw data and how it can be used,
assumptions and formulas

Can start calculating and testing out possible scenarios

“Output” reports to be developed with Core Strategies





Step 1 Management Plan

Legal Implications of Alternatives

Describes legal and/or legislative challenges to implementing a range of financing approaches

Opportunities, hurdles, and impediments

Some sense of what it will take to implement





Step 1 Management Plan

Preliminary Alternatives Review

- Summarizing the findings of what has been explored
- Different funding alternatives, ownership structures and operating models
- Pros and cons, potential financial effects
- Legal hurdles

Begin to narrow possible solutions to most promising





Step 1 Management Plan

Updated Step 1 Management Plan

Take stock of the work to date
and adjust the
Step 1 Management Plan
if it is appropriate





Step 1 Management Plan

Fall, 2009

- Draft Core Strategies Financing Model
- Draft Legal Strategic Plan
- Draft Core Strategies Report





Step 1 Management Plan

Draft Core Strategies Financing Model

- Provide sensitivity analyses to test various scenarios
- Differentiate between highway and transit costs
- Contain preliminary traffic, revenue and other data inputs

Noting limits on currently available data.

Model would be enhanced by refined data in Step 2.





Step 1 Management Plan

Draft Legal Strategic Plan

- Implications of combining and organizing selected alternatives into Core Strategies
- Outline legal changes required
- Suggestions for legislation & documentation





Step 1 Management Plan

Draft Core Strategies Report

- Describe what led to the Draft Core Strategies
- Comparisons along legal, financial and policy lines
- Focus subsequent work
- Identify additional work





Step 1 Management Plan

Early 2010

- Final Core Strategies Financing Model
- Final Legal Strategic Plan
- Final Core Strategies Report





Step 1 Management Plan

Final Core Strategies Financing Model

Incorporates all data elements, assumptions, tools to perform the analyses for the Final Core Strategies

More customized sensitivity analysis

Outputs: graphic and chart comparisons





Step 1 Management Plan

Final Legal Strategic Plan

Legal implications of each Core Strategy to examine further in Step 2

Statutory and other legal issues to address in order to execute these approaches





Step 1 Management Plan

Final Core Strategies Report

- Present the most promising financial structures
- Provide framework for precise analysis in Step 2
- Relation to policy goals
- Legal and other actions required

Sets the stage for the more rigorous analysis on a focused list of approaches in Step 2





Next Steps

Scope and Negotiations for Steps 2 and 3

Data refinement / supplemental analysis

Other actions identified in Step 1

Building support for proposed strategies

