

2020 NJTA Capital Plan and Toll Adjustment Proposal Hearing

Commissioner Remarks to Accompany PowerPoint Presentation

SLIDE 0 *(TURNPIKE SEAL)*

Before I begin the presentation, I would like to make some general remarks.

Many have asked and more have wondered why these hearings are moving forward given the current environment. These hearings are the beginning of a process to approve funding of a new capital program that began before our current circumstances. The program will sustain tens of thousands of jobs in the coming months and years and help to maintain and strengthen the transportation network that provides a substantial competitive edge for New Jersey in a highly competitive regional, national and global economy.

Today we are experiencing the economic impact of COVID-19. Not unlike other periods of economic downturn public works projects sustain us in recovery efforts and help to stimulate a lagging economy. As recently as this morning, the press has reported that the White House has emphasized the need for a stimulus package at the national level to ensure a quick economic recovery. The proposed NJTA capital plan is amongst the strongest economic stimulators for the state of New Jersey.

Many of you have heard the expression that the three most important criteria in real estate are location, location, location. New Jersey is just that. A prime location to attract domestic and international firms to make New Jersey their home. And what does that bring? New jobs and new opportunity.

Whether in the revitalization of an abandoned office space with new corporate headquarters or state-of-the-art warehouse facilities and distribution facilities with convenient access to the New Jersey Turnpike. The transportation network must continue to be strengthened whether in good times or in tough times. Both

publications, site selections and area development rank transportation as the second most important factor of inciting a new facility.

While the details of this program will be discussed shortly, it is also important for me to say very affirmatively that the whole transportation system must be balanced. The press has reported that the Senate president has called for the continuation of a revenue stream from the New Jersey Turnpike Authority to the New Jersey Transit. We will examine that request and advise the administration as to what a sustainable funding amount without jeopardizing any of the very important capital projects presented here today.

For today's protocol please note that this room was sanitized just prior to this meeting. Chairs are set up at an appropriate distance to in keeping with social distancing. The microphone will be wiped clean between speakers and hand sanitizer is available at the entrances. Now let me begin my presentation.

SLIDE 1 (*WELCOME SLIDE*)

- To those of you here in the room with us and those watching the livestream on the internet, welcome and thank you for your participation.
- We're here today to talk about how the Turnpike Authority proposes to raise the revenue necessary to fund its next capital program.
- The capital program we're proposing will keep tens of thousands of women and men at work, will help drive New Jersey's economy, and will bolster mobility and improve safety on two of New Jersey's most important highways for generations to come.
- Let's start by talking about how we propose to create a reliable, sustainable source of funding to pay for these improvements.

SLIDE 2 *(SHOWS PROPOSED TOLL RATES)*

- The Turnpike Authority receives no tax money from any source.
- 92 percent of the Turnpike Authority's revenue comes from tolls paid by the people who use the Turnpike and Parkway. The remainder is generated from service areas, the PNC Arts Center, fiber optic and cell tower rents, and other relatively small miscellaneous sources.
- Building the projects necessary to assure mobility, sustain the economy, and keep people at work means raising additional toll revenue. The Turnpike Authority has no other way to pay for this work.
- Under our proposal, the average toll on Turnpike will go from \$3.50 to \$4.75. And the average toll on the Parkway will go from \$1.11 to \$1.41.
- The toll schedules with the proposed new rates are posted on boards in the other room and available on the Turnpike Authority website, www.njta.com.

SLIDE 3 *(NAMES THE OTHER THREE COMPONENTS OF THE TOLL PROPOSAL)*

- Under the Turnpike Authority proposal, tolls will be “indexed” starting in 2022.
- Indexing means there will be modest annual increases to keep up with rising costs. This would create a reliable source of funding into the future.
- The annual increases would be capped at 3 percent.
- There are two other changes to the toll schedules being proposed. I want to describe them to you even though they will not affect most drivers and are not included here as ways to raise additional revenue.
- First is a new toll on a ramp we’re calling 19W.
- Interchange 19W provides a direct connection between the Western Spur of the Turnpike and the Meadowlands Complex. It was built in 1977.
- Historically, it has been open only on days when there is a Giants or Jets game or some other big event at the Complex. The Authority now plans to leave 19W open all the time.
- Drivers going to games, concerts, or races at the Complex, or visiting American Dream, will be able exit directly from the Turnpike. This means they won’t have to go out onto Route 3 to access the Complex. They will pay the same toll at 19W that they would have paid at 16W if the ramp hadn’t been opened.
- The other change being proposed is the discount for buses. Buses now pay different rates on the Turnpike and Parkway. In some cases, different types of buses pay different rates on the same road. This proposal would create a standard 40 percent discount for all buses.
- None of the other discounts offered to New Jersey E-ZPass customers is being changed. The terms of the discounts for senior citizens, drivers of low-emissions vehicles, and others would not be affected by this proposal.

SLIDE 4 *(COMPARES PASSENGER CAR TOLL RATES ON TPK AND GSP TO OTHER ROADS)*

- With the proposed increase, the toll rates on Parkway and Turnpike will remain in line with the rates drivers pay on other U.S. toll roads.
- This chart shows the 47 U.S. toll roads ranked from lowest cost per mile to highest. As you can see, the Parkway is ranked 14th and the Turnpike 27th. That is with the proposed increase included.

SLIDE 5 *(COMPARES TRUCK TOLL RATES TO OTHER ROADS)*

- Under this proposal, the toll adjustments are applied equally across all classes of vehicles.
- As you can see on this chart, the rates trucks pay on the Turnpike and Parkway would remain in line with other toll roads around the country under this proposal

SLIDE 6 *(LIST OF 2008 CAPITAL PROGRAM PROJECTS AS ORIGINALLY PROPOSED)*

- The Turnpike Authority has a history of carefully planned, tightly managed capital programs. We get value for the money we spend by building projects that improve mobility and safety and have real impact on the lives of the people who travel on the Turnpike and the Parkway.
- What I'm talking about, in the simplest terms, is value for your dollar. The Turnpike Authority has delivered value for your dollar with past capital programs. The Turnpike Authority will deliver it again with the capital program we're here to discuss today.
- This slide shows a list of the capital projects that were included initially in the 2008 capital program. As you see, the Authority proposed spending \$7 billion to build 31 projects.

SLIDE 7 *(TRANSITIONS TO LIST OF 2008 CAPITAL PROGRAM SHOWING THE PROJECTS THAT WERE ULTIMATELY BUILT)*

- And this slide shows what the Turnpike Authority eventually did with that \$7 billion.
- The Authority's original plan called for 31 projects. We ended up building 39 projects without changing the cost.
- Let's talk about a few of those projects ...

SLIDE 8 *(PHOTO OF BADLY CONGESTED TURNPIKE 6 to 9 CORRIDOR BEFORE THE WIDENING)*

- This was one of the worst bottlenecks in New Jersey. The Turnpike between interchanges 6 and 9. If you went through there, you knew you were going to sit in traffic for a long time.
- The 2008 capital program included a major widening project in this area. 170 lane miles were added. For most of the distance, the capacity was doubled.

SLIDE 9 *(PHOTO OF WIDENED, UNCONGESTED TURNPIKE IN THE 6 to 9 CORRIDOR)*

- Because of that investment, this project has given drivers back the 10, 15, or 20 minutes a day they used to spend sitting in traffic there.
- Even more importantly, their trip is safer. The crash rates in the corridor now are 50 percent lower than they were before the widening started
- The original budget for this project was \$2.5 billion. The final cost came in more than \$300 million below that.

SLIDE 10 (*"MONEY SAVED, TIME SAVED, LIVES SAVED"*)

- We promised value for your dollar. I think you'd have to agree that we delivered.

SLIDE 11 *(PHOTO OF CONGESTED PARKWAY)*

- If you travel on the Parkway along the Jersey Shore, either because you live there or visit during the summer, you know that the Turnpike was not the only congested toll road in New Jersey.
- The Parkway in Cape May, Atlantic, Burlington, and southern Ocean County had two lanes in each direction in 2008, just like it did when it opened in the 1950s.

SLIDE 12 *(PHOTO OF UNCONGESTED WIDENED PARKWAY)*

- The congestion was relieved by adding a third lane in each direction for 45 miles between South Toms River and Egg Harbor Township.
- When the 2008 capital program was adopted, there was only enough money to widen the Parkway for 17 miles. The money for the other 28 miles came from the savings on the Turnpike Widening and other projects.
- I'm just going to flip through some slides of a few other important projects that were completed under the past capital program

SLIDE 13 *(TWO PHOTOS OF THE CASCIANO BRIDGE, ONE DURING CONSTRUCTION, ONE AFTER)*

- Many of the major bridges on the Turnpike and Parkway were more than half a century old and in need of repair or replacement when the last capital program was adopted.
- Redecking, rehabilitating, and, in some cases, widening those structures was an important component of the 2008 capital program.
- Here are a few examples: This is the Casciano Bridge over the Newark Bay on the Newark Bay-Hudson County Extension of the Turnpike.

SLIDE 14 (*SHOWS THE HACKENSACK EASTERLY BRIDGE*)

- This is the Lewandowski Bridge over the Hackensack River on the Eastern Spur of the Turnpike. It underwent an extensive rehabilitation.

SLIDE 15 *(SHOWS THE GREAT EGG BRIDGE)*

- This is the Great Egg Harbor Bridge on the Parkway, an important route to South Jersey Shore towns and an important evacuation route in the event of a hurricane or other coastal storm events.
- Original southbound bridge, which was in 1954, was demolished
- The northbound structures, which were added in 1973, were rehabilitated
- And a brand new southbound crossing was built parallel to the northbound ones
- This was a \$250 million project. There was not enough money for it in the original capital program proposal in 2008. It was one of the projects that we were able to add later because of the money saved on other projects.

SLIDE 16 *(AERIAL PHOTO OF COMPLETED INTERCHANGE 14A)*

- Improvements were made at more than a dozen interchanges on the Turnpike and Parkway under the last capital program
- These interchanges were designed in middle of the 20th century and were unable to handle the demands we placed on them
- This is Interchange 14A in Bayonne. Fifty thousand vehicles went through there. Traffic backed up onto the Newark Bay Extension because of congestion at the toll plaza. The situation was only going to get worse as the port facility in Bayonne continued to grow.
- This photo shows the completed project. The toll plaza was widened. A round-about was built to improve traffic flow between the toll plaza and a local road, Avenue E. Ramps were added, a new connector bridge was built.
- This project reduced congestion at the toll plaza and on the Extension. It improved access for people who live and work in Bayonne and for trucks traveling to the port facility. And it boosted local economic development efforts by promising an easier trip into and out of the city.

SLIDE 17 (PHOTO OF INTERCHANGE 163 ON THE GSP DURING CONSTRUCTION)

- This is Interchange 163 on the Parkway.
- This project improved access to Route 17 by moving the exit from the left-side exit of the Parkway to the right side

SLIDE 18 *(PHOTOS SHOWING BEFORE AND AFTER OF INTERCHANGE 9 ON THE PARKWAY)*

- There were three at-grade crossings in Middle Township at the southern end of the Garden State Parkway. They were controlled by the only three traffic lights you could find on the main line of either toll road. They were always congested during the summer months, and they had unacceptable crash rates.
- This project got rid of the at-grade crossings at all three intersections by building bridges to carry the Parkway over the local roadways.

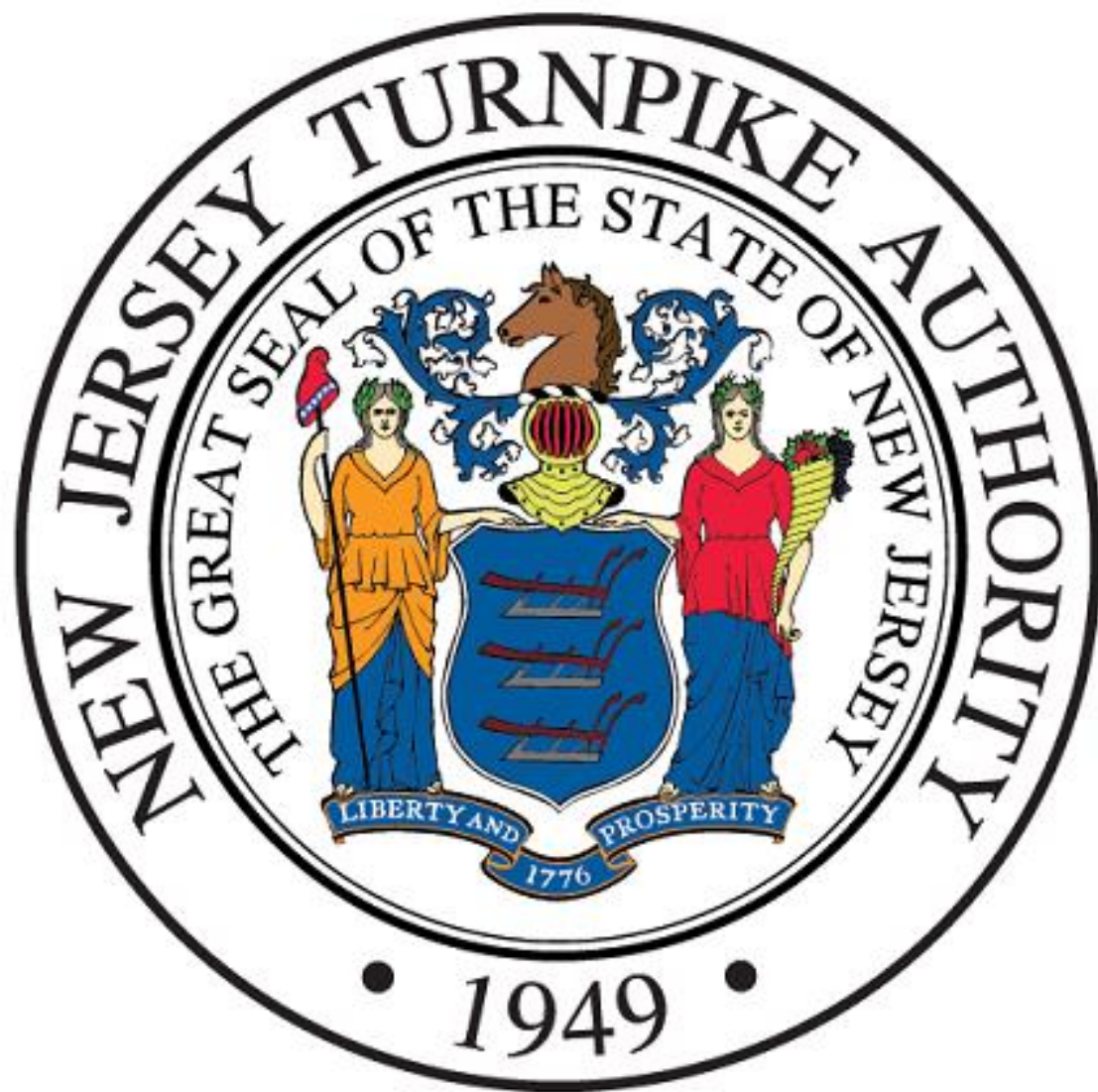
SLIDE 19 *(HIGHLIGHTS OF PROPOSED NEW CAPITAL PROGRAM)*

- That's enough about the last capital program. It was very successful. A lot of important work was done ... work that created jobs, boosted the economy, and improved the quality of life for the drivers who depend on the Turnpike and Parkway. But we can't rest on our laurels.
- With this toll proposal, the Turnpike Authority is introducing a list of capital projects it intends to undertake in the coming years.
- You can see some of the highlights here ... widening congested areas, fixing inadequate interchanges, rehabilitating 80-plus year-old bridges.

SLIDE 20 *(MAP OF PROPOSED NEW CAPITAL PROGRAM)*

- And you can see that the projects are spread out around the state and that areas where less work was done under the last capital program will be getting the most attention under this one.
- Greg Le Frois will be talking about some of the project specifics in just a few moments.
- The toll roads were a vision given to us from a previous generation. They built them at a time when New Jersey desperately needed highway capacity. The openings ushered in an era of unprecedented economic growth for our state and allowed all of us to enjoy the benefits of what the economists have called New Jersey's "world-class transportation-driven economy."
- By continuing to invest in the toll roads, we will sustain jobs, grow the economy, and expand upon the vision for true mobility for the generations to come.

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NEW JERSEY TURNPIKE AUTHORITY

Public Hearing on Proposed Toll Adjustment & Capital Program

Diane Gutierrez-Scaccetti

**Commissioner, New Jersey Department of Transportation
Chair, New Jersey Turnpike Authority Board of Commissioners**

Proposed Toll Rates



Average toll today = \$1.11

Proposed rate change = + 27 percent

New average toll = \$1.41

Average toll today = \$3.50

Proposed rate change = + 36 percent

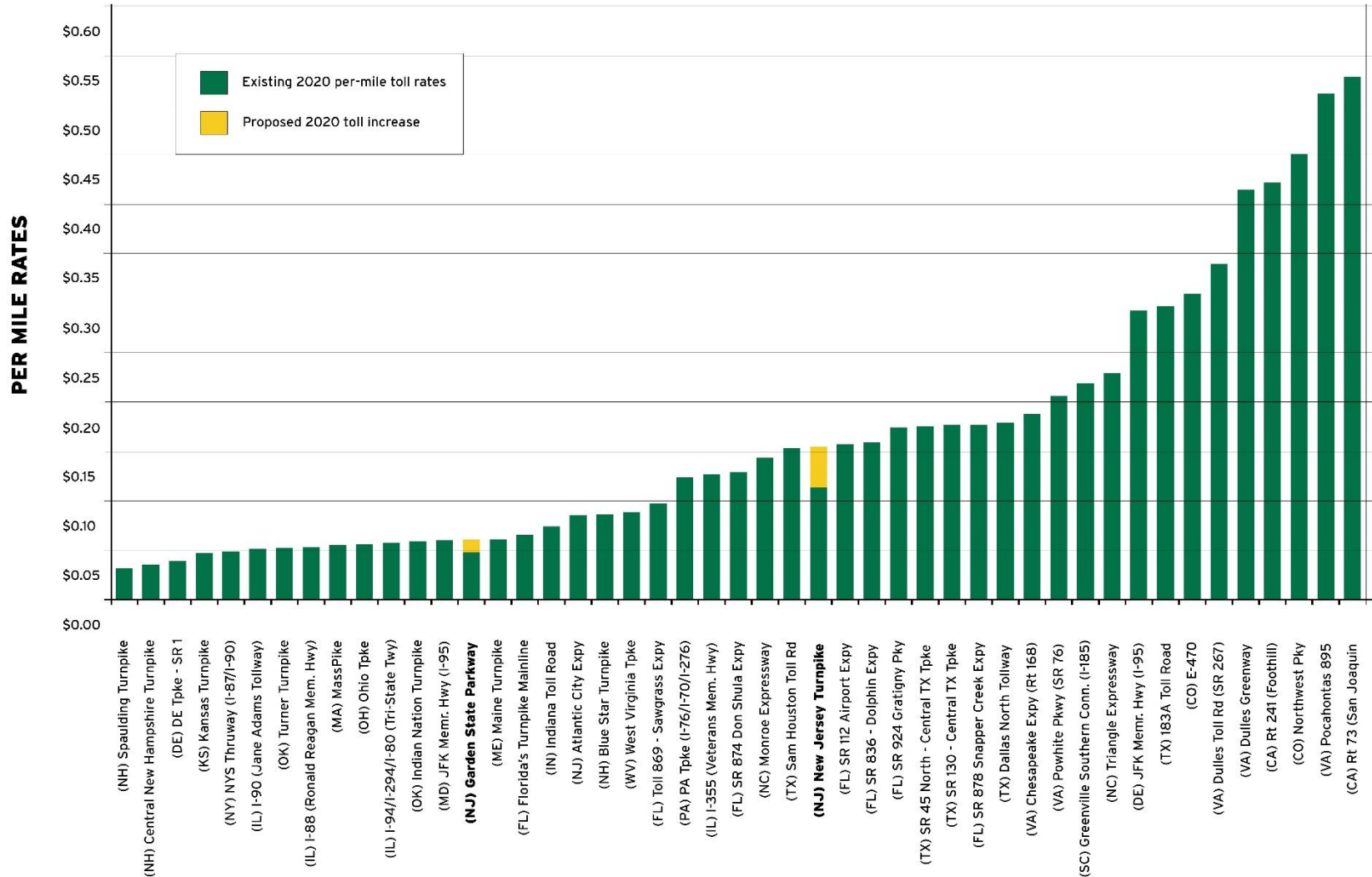
New average toll: \$4.75



Other Proposed Changes

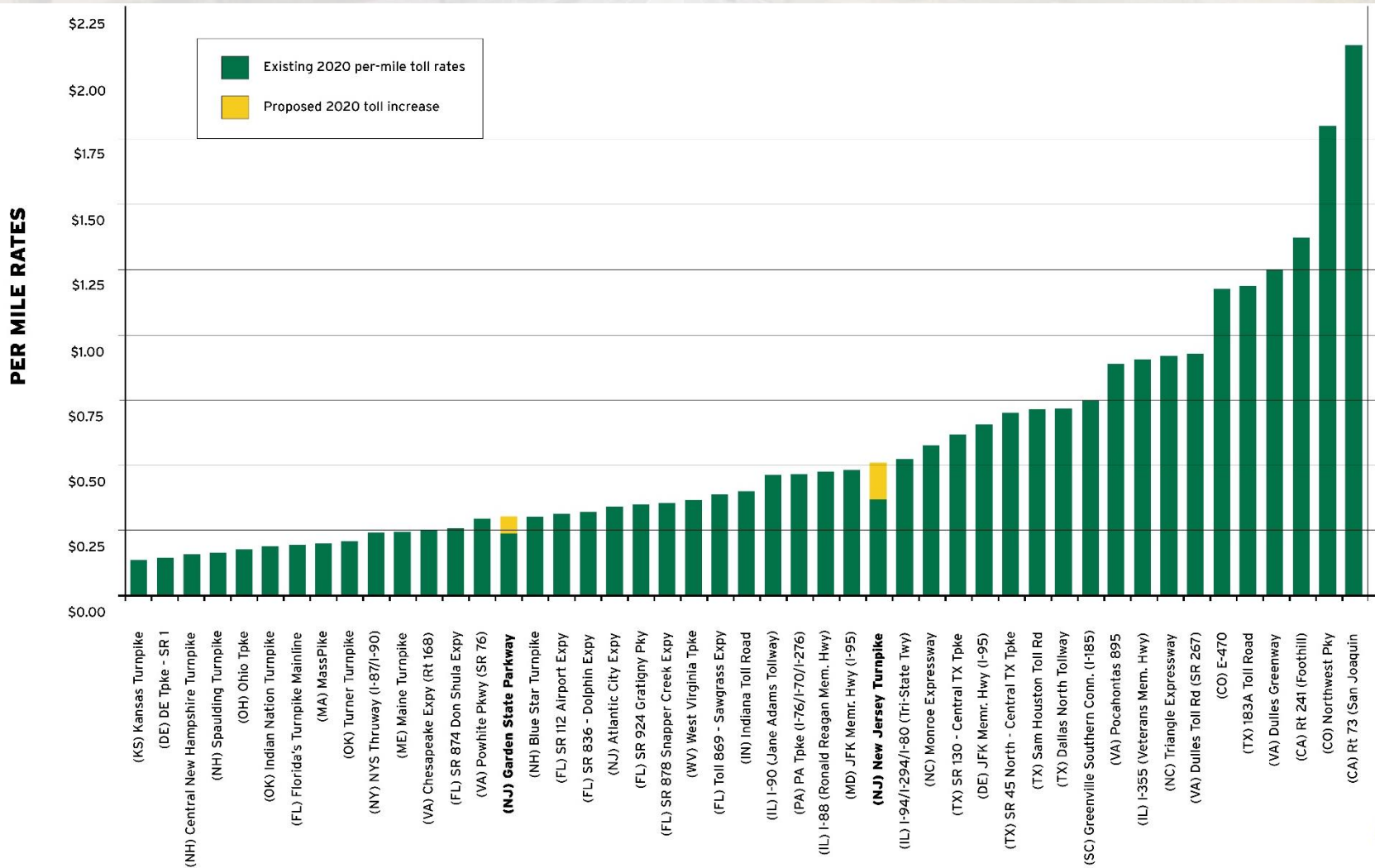
- **Indexing**
- **Bus Discount**
- **Interchange 19W**

Passenger Car Rate Comparison



March 2020

5-Axle Truck Rate Comparison



March 2020

NJTA 2008 CAPITAL PROGRAM

	PROJECT DESCRIPTION	ORIGINAL BUDGET
1	Bridge Painting Phase I	\$100,000,000
2	Deck Reconstruction Phase I	150,000,000
3	Bridge Preservation & Security	265,000,000
4	Deck Reconstruction Phase II	350,000,000
5	Bridge Painting Phase II	150,000,000
6	Drainage Improvements	50,000,000
7	Imp Roadway Appurtenances	30,000,000
8	Median Barrier Improvements	85,000,000
9	Interchange Improvements	275,000,000
10	Facilities Improvement Phase I	300,000,000
11	Sign Replacements Phase I	100,000,000
12	Sign Replacements Phase II	175,000,000
13	Turnpike/Parkway So Improve	100,000,000
14	Int 16E-18E Bridge Improvement	15,000,000
15	TP Hackensack East Bridge Rehab	135,000,000
16	NBHCE Bridge Redecking	250,000,000
17	TP Special Bridge Structure	15,000,000
18	Tremley Point Connector Road	125,000,000
19	TP Int 8A to Rte 130 Connect	100,000,000
20	TP Int 14A Reconstruction	500,000,000
21	Turnpike Int 6-9 Widening	2,500,000,000
22	TP Widening Int 16W to 18W	200,000,000
23	Parkway Bass River Bridge	125,000,000
24	Parkway Mullica River Bridge	75,000,000
25	Parkway Substructure Repairs	20,000,000
26	Parkway Mainline Shoulder Imp	250,000,000
27	Parkway Int 41 Improvements	25,000,000
28	Parkway Int 142 Improvements	45,000,000
29	Parkway Int 44 Improvements	25,000,000
30	Parkway Int 9, 10 & 11 Improve	125,000,000
31	Parkway Int 125 Phase I	40,000,000
32	Parkway Int 88 Improvements	50,000,000
33	Parkway Int 91 Improvements	50,000,000
34	Widening Parkway Int 63 - 80	200,000,000
		\$7,000,000,000

NJTA 2008 CAPITAL PROGRAM

	PROJECT DESCRIPTION	ORIGINAL BUDGET	CURRENT BUDGET
1	Bridge Painting Phase I	\$100,000,000	\$105,268,000
2	Deck Reconstruction Phase I	150,000,000	200,344,000
3	Bridge Preservation & Security	265,000,000	93,970,154
4	Deck Reconstruction Phase II	350,000,000	145,400,000
5	Bridge Painting Phase II	150,000,000	67,430,009
6	Drainage Improvements	50,000,000	62,187,000
7	Imp Roadway Appurtenances	30,000,000	41,483,000
8	Median Barrier Improvements	85,000,000	51,490,000
9	Interchange Improvements	275,000,000	416,902,000
10	Facilities Improvement Phase I	300,000,000	642,340,000
11	Sign Replacements Phase I	100,000,000	139,873,905
12	Sign Replacements Phase II	175,000,000	159,376,000
13	Turnpike/Parkway So Improve	100,000,000	15,865,505
14	Int 16E-18E Bridge Improvement	15,000,000	15,147,164
15	TP Hackensack East Bridge Rehab	135,000,000	132,026,700
16	NBHCE Bridge Redecking	250,000,000	512,912,104
17	TP Special Bridge Structure	15,000,000	7,726,200
18	Tremley Point Connector Road	125,000,000	-
19	TP Int 8A to Rte 130 Connect	100,000,000	7,030,000
20	TP Int 14A Reconstruction	500,000,000	288,267,809
21	Turnpike Int 6-9 Widening	2,500,000,000	2,133,453,393
22	TP Widening Int 16W to 18W	200,000,000	-
23	Parkway Bass River Bridge	125,000,000	76,442,600
24	Parkway Mullica River Bridge	75,000,000	49,402,045
25	Parkway Substructure Repairs	20,000,000	33,469,000
26	Parkway Mainline Shoulder Imp	250,000,000	363,999,145
27	Parkway Int 41 Improvements	25,000,000	22,953,957
28	Parkway Int 142 Improvements	45,000,000	654,795
29	Parkway Int 44 Improvements	25,000,000	28,972,153
30	Parkway Int 9, 10 & 11 Improve	125,000,000	88,611,812
31	Parkway Int 125 Phase I	40,000,000	97,994,457
32	Parkway Int 88 Improvements	50,000,000	97,432,842
33	Parkway Int 91 Improvements	50,000,000	11,575,794
34	Widening Parkway Int 63 - 80	200,000,000	126,935,743
35	GSP Widening 35-63	0	456,313,000
36	Great Egg Harbor/Drac Channel	0	264,903,305
37	CS Facilities	0	100,000
38	SP Facilities ITS Computers	0	12,222,000
39	Facilities Equipment -Maint	0	11,310,100
40	SP Facilities SP Furnish	0	653,100
41	Salt Storage Facilities	0	17,561,201
		\$7,000,000,000	\$7,000,000,000

DEFERRED TO THE 2020
CAPITAL PROGRAM:
\$325,000,000

ADDED PROJECTS:
\$763,062,706

ON SCHEDULE, ON BUDGET



March 2020

BEFORE: TURNPIKE INTERCHANGE 6 TO 9 WIDENING



AFTER: TURNPIKE INTERCHANGE 6 TO 9 WIDENING





MONEY SAVED
TIME SAVED
LIVES SAVED

BEFORE: PARKWAY WIDENING MILEPOSTS 35 To 80



AFTER: PARKWAY WIDENING MILEPOSTS 35 TO 80



CASCIANO BRIDGE, NEWARK BAY, TURNPIKE



LEWANDOWSKI BRIDGE, HACKENSACK RIVER



GREAT EGG HARBOR BRIDGE, PARKWAY



TURNPIKE INTERCHANGE 14A



PARKWAY INTERCHANGE 163



PARKWAY INTERCHANGES 9, 10, AND 11





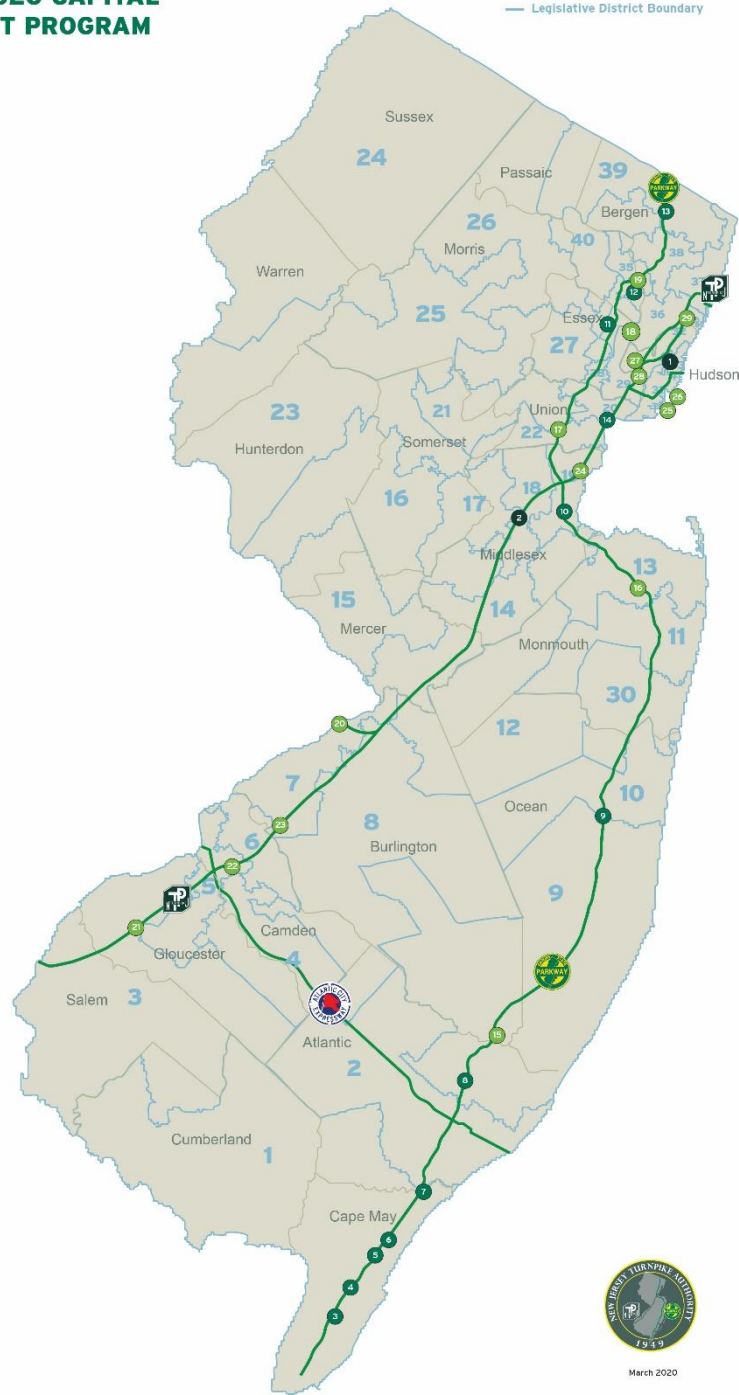
HIGHLIGHTS OF CAPITAL PLAN

- **Capacity enhancements:**
 - **Congested sections of the Parkway between Wall and Paramus**
 - **The Newark Bay-Hudson County Extension of the Turnpike**
 - **The Turnpike between Interchanges 1 and 4**
- **Adding the missing ramps at 10 incomplete Parkway interchanges**
- **Replacement of the Delaware River Turnpike Bridge**
- **Replacement of the Laderman Bridge on the Western Spur of the Turnpike**

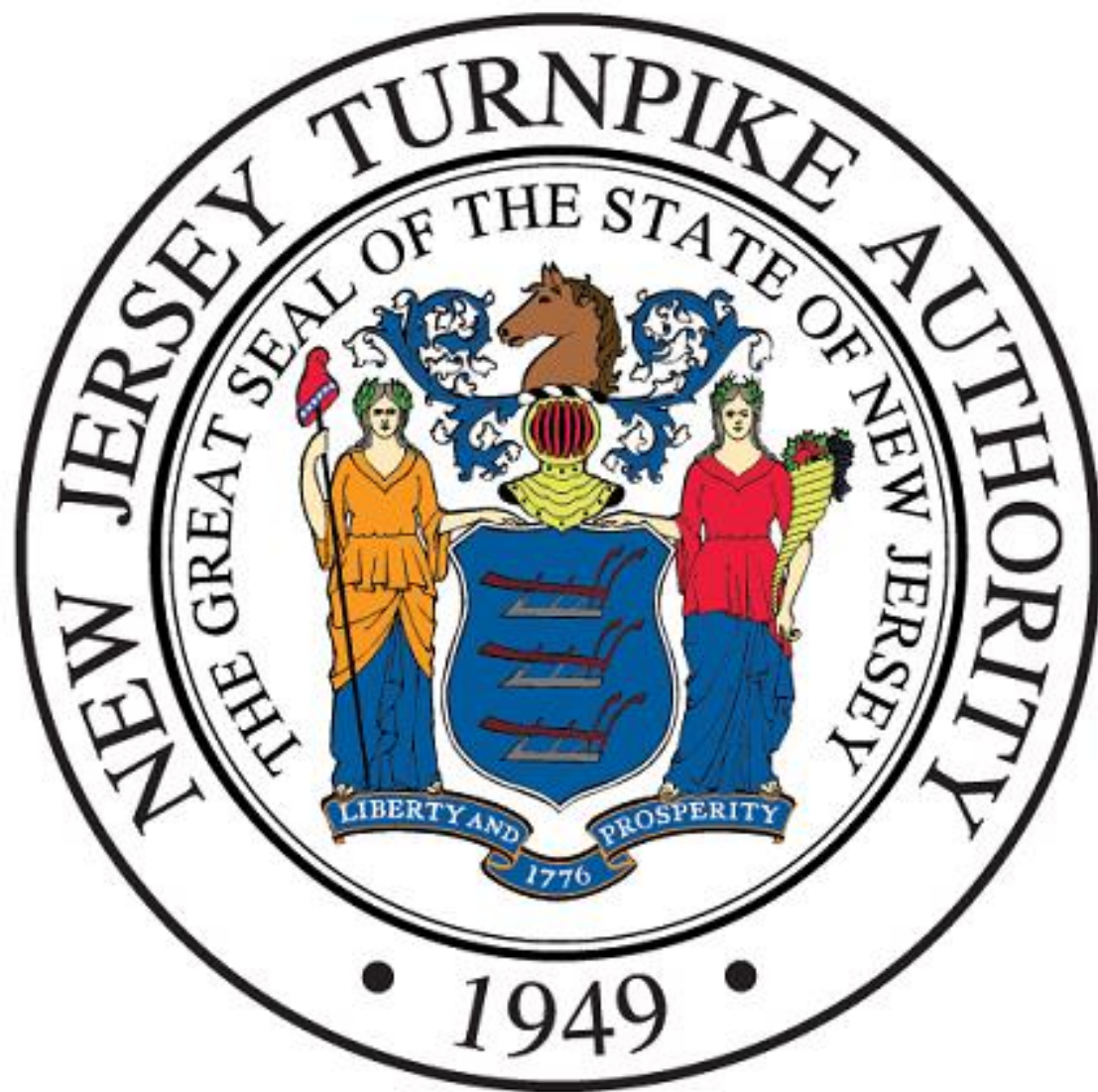
NEW JERSEY TURNPIKE AUTHORITY PROPOSED 2020 CAPITAL IMPROVEMENT PROGRAM

LEGEND

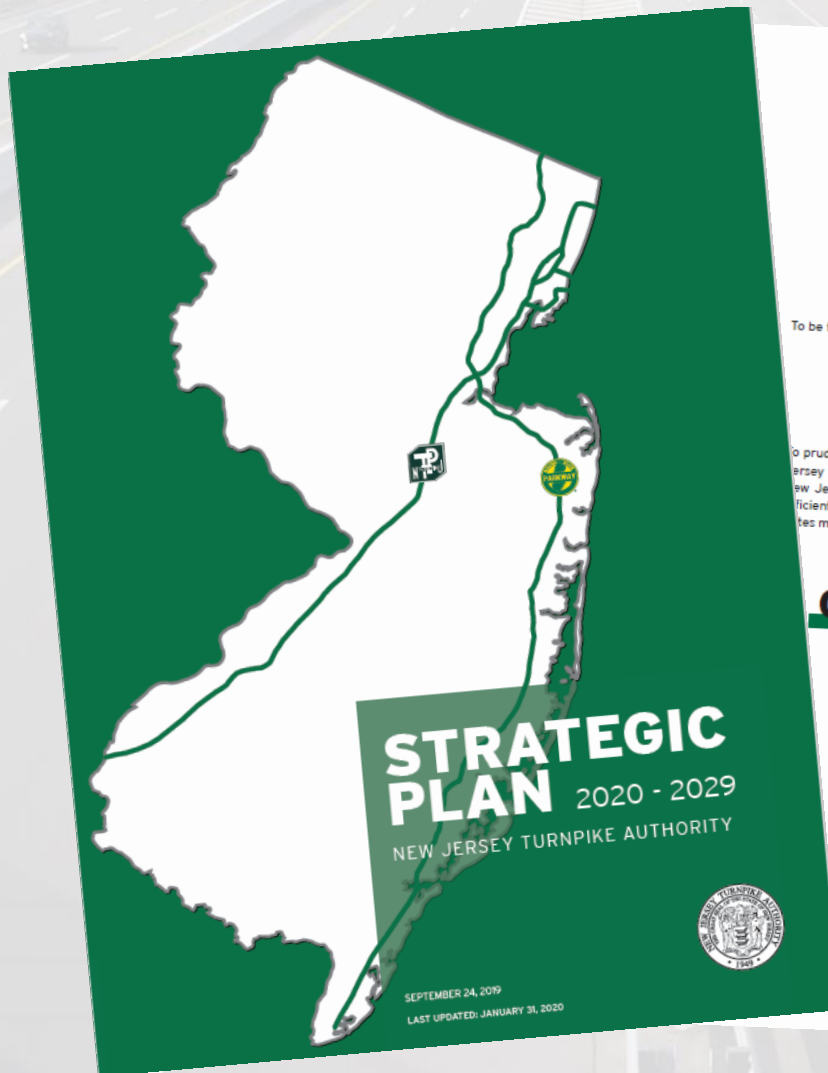
- County Boundary
- Legislative District Boundary



March 2020



STRATEGIC PLAN



VISION

To be the premier toll road agency in the United States

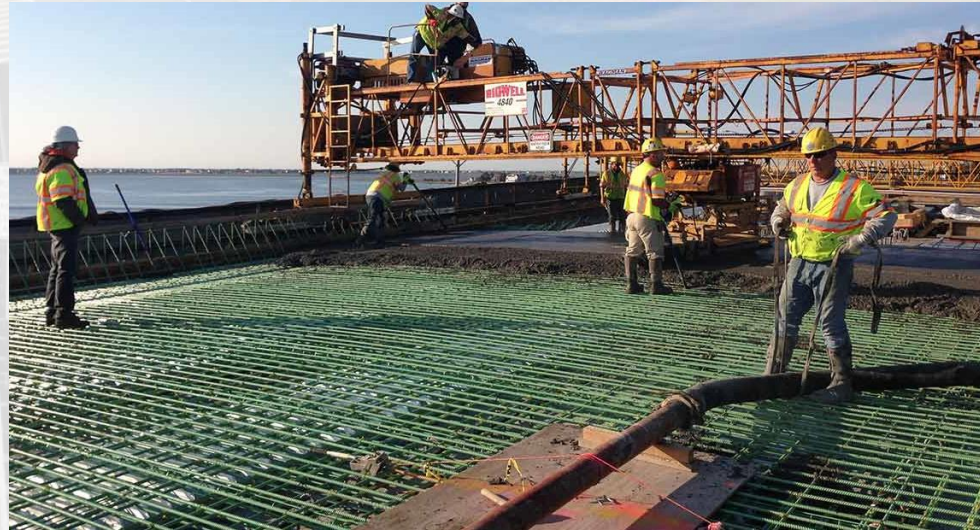
MISSION

To prudently manage the finances and operations of the New Jersey Turnpike Authority to provide our customers on the New Jersey Turnpike and Garden State Parkway with a safe, efficient, innovative, and resilient toll road system, which facilitates mobility in New Jersey and the Northeast United States.

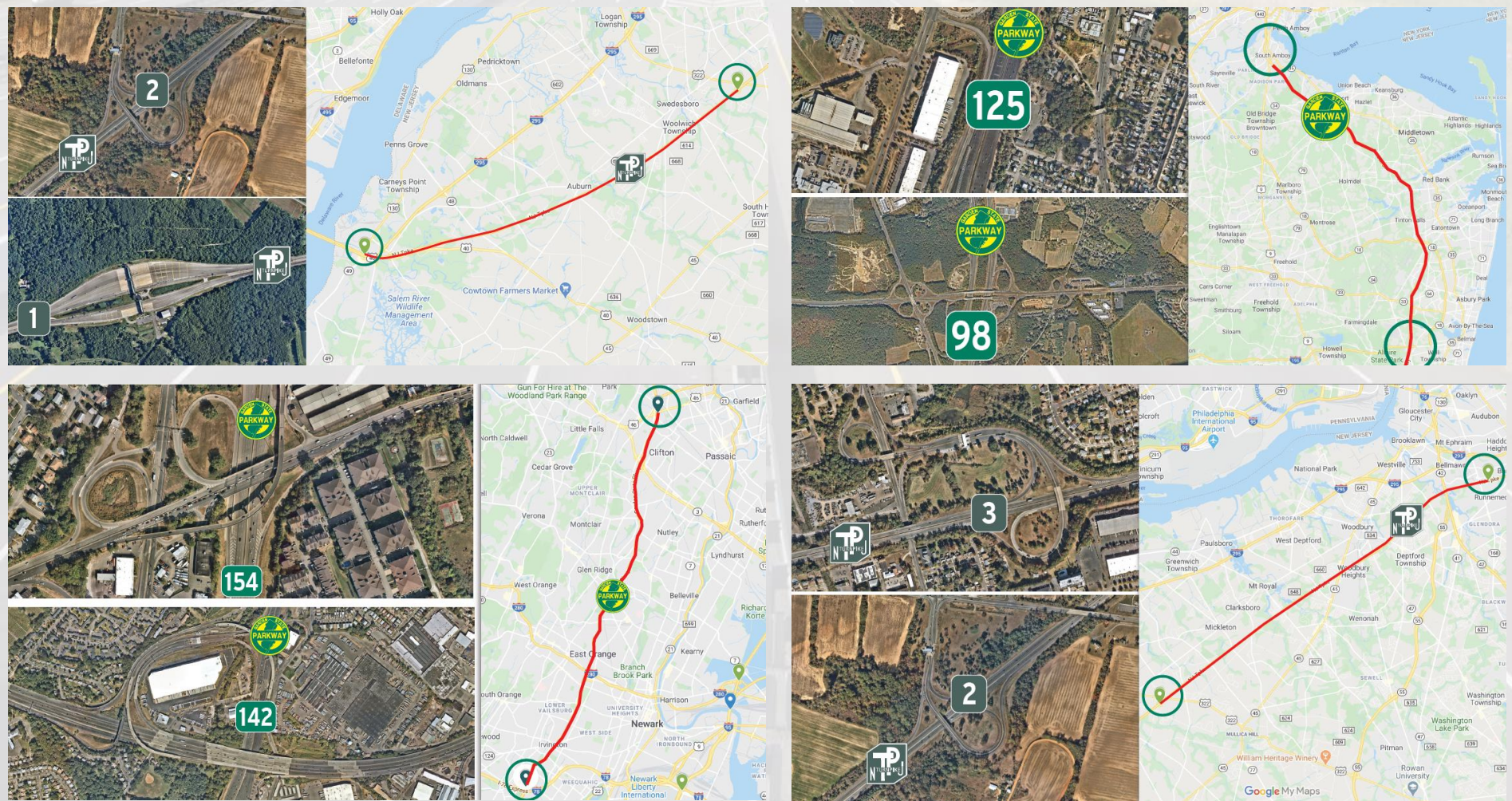
CORE VALUES

- Safety
- Diversity
- Innovation
- Transparency
- State of Good Repair
- Customer Satisfaction
- Resiliency & Sustainability
- Long-Term Financial Stability

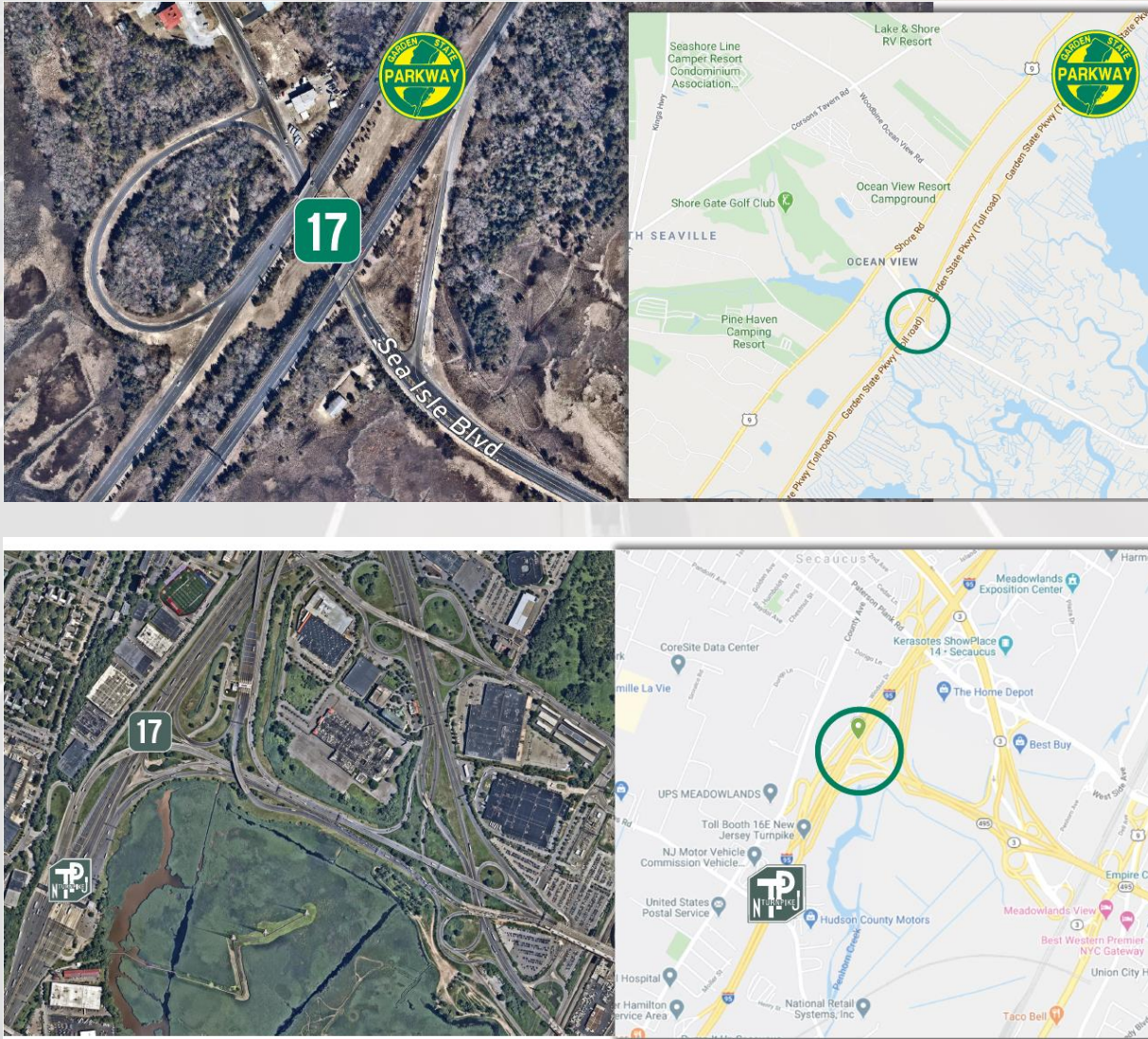
STATEWIDE PROJECTS



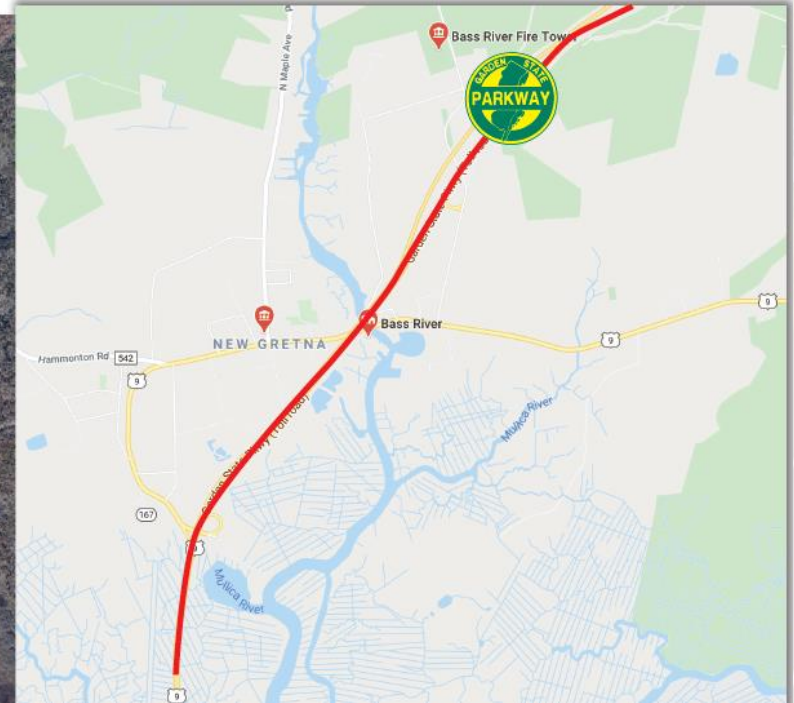
CAPACITY ENHANCEMENTS



INTERCHANGE IMPROVEMENTS



RESILIENCY & SUSTAINABILITY



SUMMARY

- **\$24B in projects that will be implemented in an orderly fashion by the Authority**
- **“State-of-good-repair” projects coupled with larger projects**
- **Infusion of jobs this year and next, plus into the future**
- **Addresses Strategic Plan and Authority’s Core Values**
- **Sustainable funding source for the Authority and creates benefits for the entire State**

PUBLIC COMMENTS

**The Public Comment Period will remain
open until 5 p.m. on April 3rd, 2020. To
submit your comments:**

By Email

NJTAPublicComments@njta.com

By Mail or Courier

**Executive Director
New Jersey Turnpike Authority
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Woodbridge, NJ 07095**