

March 2015

## **Ferries, Select Bus, Vision Zero: Capital Funds Added, More Will Be Needed**

The Mayor added more than \$300 million in planned capital funds for three of his top transportation initiatives—the creation of a citywide ferry program, expansion of the Select Bus Service (SBS), and the Vision Zero street safety program—in the four-year capital plan released with his preliminary budget. While the increased funding provides for some of the costs associated with these transportation projects, additional funds will be necessary to see them through to completion.

**Capital Funds Added for Ferry Expansion.** The Mayor’s preliminary budget contains \$55 million in planned capital commitments for the development of five ferry routes to connect waterfront neighborhoods with job centers in Manhattan. These new routes are to operate on the model of the existing East River Ferry service, a public-private partnership between the city’s Economic Development Corporation (EDC) and private ferry operators.

The plan includes funding for 10 ferry landings in the Bronx, Queens, Brooklyn, and Manhattan, covering the cost of upgrading piers and bulkheads, building gang planks, installing kiosks, ticket machines, and signage, as well as other miscellaneous expenses. Several existing ferry stops will also be integrated into the new routes. Work is expected to begin in fiscal year 2017, with operations on some routes getting underway later that year and all routes expected to be operating by 2018.

The \$55 million in planned commitments does not include funding to build a landing at Astoria Cove, a proposed 1,700-unit residential development in the Astoria neighborhood of Queens, despite the fact that the Mayor highlighted the stop in his State of the City address. It is estimated that the Astoria Cove ferry landing would cost an additional \$7.2 million in capital spending, according to

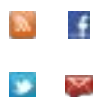
a 2013 ferry study commissioned by EDC that formed the basis of the city’s proposal to expand ferry service.

According to the Mayor’s Office of Management and Budget, the funding for the Astoria Cove stop is still being determined. News reports suggest that the city would pay for a portion of the cost of the Astoria Cove landing, with the project’s developer contributing the balance. The other 10 landings that are included in the capital plan will be built and maintained directly by EDC.

In another notable absence, the preliminary budget does not include funding for operating subsidies for the ferry program, even though EDC’s study found that the proposed routes would operate at a loss.

EDC’s 2013 ferry study contained models of the revenue and expenses for each route and estimated the extent to which the city would need to subsidize their operations. The level of subsidy varied considerably from route to route. Projections showed that revenue would cover approximately 20 percent of operating expenses on the Rockaway, South Brooklyn, and Soundview routes. For this reason, the study’s authors discouraged the development of the Rockaway and South Brooklyn routes, noting that they “proved to require considerable subsidies and were not recommended for further consideration.”

The other routes were projected to be less costly to sustain. The coverage ratio on a route connecting the Lower East Side with Midtown and Wall Street was estimated at 49 percent, while the Astoria route reached 65 percent. For context, the currently operating East River Ferry achieved a coverage ratio of 64 percent in 2013, albeit with a higher fare than projected for the new routes and substantial ridership from tourists and other noncommuters.



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Based on the ferry study's projections, IBO estimates that the five proposed routes will require annual subsidies from the city's expense budget of at least \$16 million when they are fully operational.

**Additional Capital Funds for Vision Zero.** The Mayor added \$237 million to the Department of Transportation's (DOT) preliminary four-year capital plan for projects associated with Vision Zero, the de Blasio Administration's campaign to eliminate traffic deaths on the city's streets.

Last month, DOT and the police department released a series of borough-specific Pedestrian Safety Action Plans. These reports found that a small number of streets were responsible for a disproportionate share of injuries and fatalities and flagged 154 roads as "priority corridors," suggesting steps the city could take to prevent accidents from occurring on those thoroughfares in the future.

Several of these priority corridors are slated to receive additional capital funding in the preliminary budget. The increased funding includes \$100 million for safety improvements on Queens Boulevard, \$65 million for a third phase of improvements for the Grand Concourse, \$20 million for Atlantic Avenue, and \$16 million for 4th Avenue in Brooklyn over the next four years. The plan also allocates an additional \$36 million for street lights and traffic and pedestrian signals. These projects meet just a portion of the citywide need highlighted in the Pedestrian Safety Action Plans, which underscores the scope of capital work that will be necessary to achieve all the goals of Vision Zero.

**Increased Funding for Select Bus Service.** DOT also added \$35 million in capital funds over the next four years for Select Bus Service expansion. By the end of calendar year 2017, the city plans to increase the number of SBS routes from 7 to 20. The city will undertake the capital investment needed to create the SBS routes, including construction of the street, sidewalk, and signal improvements. Once construction has been completed, the NYC Transit division of the Metropolitan Transportation Authority will assume responsibility for supplying the buses and operating the routes. Two-thirds of the new funding in the Mayor's Preliminary Capital Commitment Plan is allocated for general citywide SBS expansion and the remaining third is for a proposed route along Utica Avenue.

Overall, DOT's four-year commitment plan contains \$165 million for SBS projects from fiscal year 2015 through fiscal year 2018, nearly \$118 million of which is planned for general citywide initiatives rather than specific routes. Of the four routes that DOT has publicly said are in the design or construction stages (86th Street, Flushing/Jamaica, Utica Avenue, and Woodhaven Boulevard), only Utica Avenue and Woodhaven Boulevard are individually specified in the plan, and Woodhaven Boulevard is only funded through the design phase. DOT has identified 10 other corridors for future expansion, although it is not clear when the de Blasio Administration will commit funding to the specific routes. In the absence of more information, it is difficult to determine how close the de Blasio Administration will come to meeting its target of 20 routes by the end of 2017.

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