

Mobilizing the Region

A Weekly Bulletin from the Tri-State Transportation Campaign

Number 481

November 22, 2004

NEWS

2005 NY Fare Hike Not Necessary

Transit advocates are calling on the MTA to use the unanticipated **\$330 million revenue windfall** the agency recently announced to stop a fare hike in 2005. But the agency says it wants to save most of the money to apply to its looming 2006 budget gap, especially if the revenue picture worsens again.

The funds at issue come from better-than-expected revenues from real estate-related taxes that the MTA gets a piece of.

The agency plans on placing \$200 million in a reserve fund, in case future revenue does not meet expectations, or simply to apply to its 2006 operating budget, which could be \$600 million or more in the red.

But transit advocates oppose the plan, especially at a time when top NY City and State officials have yet to acknowledge the huge mass transit budget problem that is upon us.

“The MTA’s plan — to roll over the \$200 million reserve into 2006 — would be a one-shot that does nothing to address the MTA’s long-term structural deficit. The rollover also smacks of being timed to give maximum help to the Mayor and Governor at a key time in the political calendar,” said the **Straphangers Campaign’s Neysa Pranger** at an MTA board meeting last week.

Using the extra revenue next year would win time for the governor and state legislature to find a way to raise new revenue for the agency without socking riders and motorists with the second hike in three years. The agency faces a skyrocketing annual deficit, potentially reaching \$1.6 billion by 2007. It also needs to find at least another \$11 billion for its proposed 2005-2009 capital plan.

MTA officials last week seemed determined to raise fares and tolls in 2005. Their hopeful scenario seems to be that if they are able to harbor the \$200 million windfall and any other better-than-expected revenue receipts, the smaller 2006 deficit can be more easily handled by potential revenue-raising action by the governor and legislature. Before that can happen, however, Governor Pataki needs to admit that there is a problem. If he doesn’t, the transit system is looking at serial fare increases, service cuts and the reversal of 25 years of progress rebuilding the mass transit infrastructure. ❖

New Jersey Transit Fare Increase Will Leave the Big Problems Unsolved

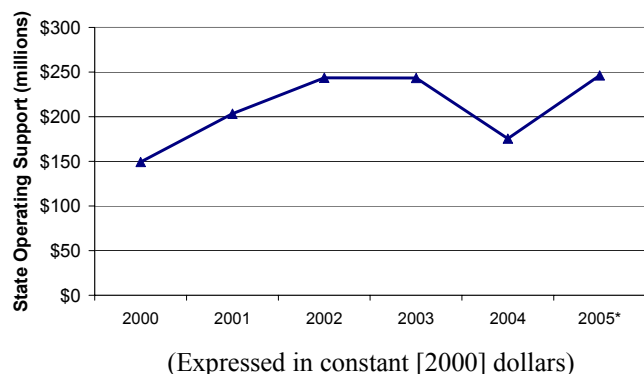
Before New Jersey Transit implements any plan to raise bus and rail fares, the state legislature and Governor Codey should pledge to increase the state’s annual appropriation for NJ Transit’s operating budget.

While it is relatively well-known that New Jersey’s transportation construction funding programs is running dry, the fact is that NJ Transit has faced an operating budget crisis for years. The agency has created new services, built new lines and attracted large numbers of new riders without enjoying sufficient operating support increases from Trenton.

The problem has led to a significant use of NJ Transit capital funds for operating expenses. The result is deferral of needed infrastructure investment and constant pressure on the operating budget.

Last year, Governor McGreevey raised Trenton’s contribution to NJ Transit’s operating budget, saying the move was a “first step” to stem the tide of Transit’s capital budget diversion. However, the increase mainly filled the hole created by a big cut from 2002 to 2003 — especially if inflation is taken into account.

Direct state aid for NJ Transit operations

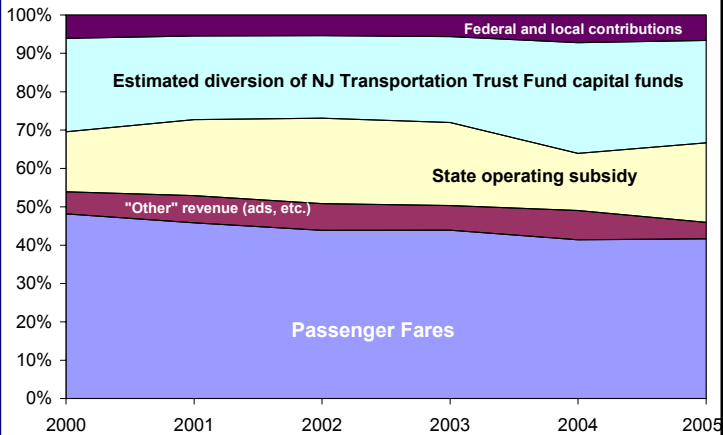


Legislation proposed by **State Assembly transportation committee chair John Wiesniewski** would phase out NJ Transit’s use of capital funds for operating expenses. This is a sound measure, but a lot more support from the state will be needed to make up all that money in the operating budget.

New Jersey is at the point where it needs to consider a dedicated source of mass transit operating budget

support. Within the MTA service area, NY State dedicates portions of a variety of tax streams to fund transit operations. The Mass Transit Operating Assistance Fund receives proceeds from corporate franchise, utility, insurance company, and bank taxes, and from a sales tax surcharge. In Massachusetts 1% of a statewide sales tax is dedicated to transit operations. The state is obliged to cover MBTA operating deficits if sales tax revenue falls below a base amount — \$645 million for 2001, rising with inflation for future years. ❖

Composition of NJ Transit operating budget



Transport for NYC 2012 – the Atlanta Plan ?

Where many cities' Olympic bids feature permanent improvements that will be of general use once the two-week series of events has come and gone, the NYC 2012 plan has nothing in it for the New York region's transportation system. Where the original "Olympic X" plan spoke glowingly of trains connecting the Meadowlands and central Queens and new ferry routes (see *MTR #414*), the scheme now smacks more of Atlanta, 1996 -- rented buses and reserved highway lanes. The London 2012 plan would construct a new transit hub and links at the **Stratford Olympic Centre**, while the Paris bid boasts that "The Games' legacy in terms of public transport infrastructures will be significant, including complete overhaul of the RER B line, extensions to a number of Metro and Tramway lines and the construction of the Eole-Evangile station." In New York, the proposed extension of the #7 subway line is in part bound up with the plan to build a new stadium on the West Side, but the subway and stadium projects are separate from any public or private financing directed at the Olympic bid itself, and rely on shaky financing schemes. ❖

The Tri-State Transportation Campaign web site:

www.tstc.org

MetroCard Mike Weighs In

Michael Bloomberg's appearance at recent MTA fare hike hearings was a rare one for a NYC mayor. It showed the seriousness of the problem, and the impact it could have on the mayor's public standing as the city gears up for city-wide elections in 2005. Although the governor holds more sway over the MTA, public ire over unpopular transit policy decisions is often focused on the mayor. An informal poll recently conducted in subway stations by amNY columnist Joe Rappaport found that most people with an opinion (75% of those asked) held the MTA responsible for transit financial problems, but the mayor was in second place with over 10% of riders approached blaming him. The rest allotted responsibility to Governor Pataki, President Bush and "government" in general.

Bloomberg's remarks at the hearings also testified to the power of the mayor's pulpit. After the mayor told the MTA to "trim the fat" at back-to-back hearings, newspapers echoed the theme for over a week, discovering big motor pools at the MTA's bridges and tunnels unit and an oversized legal department in the transit headquarters.

Reducing expenses like those is probably fine, but the problem with the tired "**do more with less**" theme is that such cuts probably would amount to **less than 1%** of the transit budget problem. The MTA needs billions to build new projects and maintain its enormous system. It needs hundreds of millions a year to run it. New Yorkers need the mayor to propose a plan to push Governor Pataki and state legislative leaders to meet these real needs. ❖

Several Suitors for Sinking Ferry System

Although NY Waterway has said that the 60-day layoff warnings it recently handed out to its workers were just a "legal requirement," not a clear indication the region's largest ferry outfit is going under, everyone else watching the situation seems to think the company is done.

News articles have cited sources who say NY Waterway is losing \$500,000 per week. The company carries about 32,000 passengers per day.

A plan put forward by Hudson County and key waterfront municipalities would have the **Hudson County Improvement Authority**, a local public authority involved in housing, waste management and other functions, borrow money to purchase the system and hand it over to joint operation by Hoboken and Weehawken. It is strongly backed by Hoboken mayor David Roberts and Weehawken mayor Richard Turner. News reports say the purchase will cost at least \$53 million. HCIA has been discussing the plan with banks, so it will be ready to go if Waterway ceases operation.

Some routes from Hoboken and Weehawken are

said to operate in the black. The local mayors may see an opportunity for a revenue windfall there, especially if commuter populations keep growing.

Backers of the plan say it will be preferable for the system to be taken over whole rather than broken up among smaller operators, because it is impossible to know what sort of service would result in such a scenario. However, even proponents of public ownership say elimination of some routes would be inevitable. Hudson County executive Tom DeGise told *amNY* there would be significant service cuts if the county takes over.

NY Water Taxi has expressed interest in acquiring two Waterway routes that serve lower Manhattan. Academy Bus and Circle Line have also been mentioned as parties possibly interested in parts of the Waterway system.

Some Hudson freeholders are worried that Hudson County taxpayers will get saddled with a money loser, only half of whose riders come from Hudson County. They want to know why, if public ownership is a good deal, the Port Authority isn't stepping in to run the boats. One major issue is whether a public entity should assume any of NY Waterway's outstanding debt. One version of the takeover would allow Waterway to go into bankruptcy, then a public entity would purchase elements of the system from banks. Political opponents of Turner in Hoboken say the plan smacks of a bail-out of NY Waterway's owners and that city governments are poorly-equipped to run transit service.

The Port Authority was mentioned as a likely operator in the initial *NY Times* exposés of Waterway's financial plight, but the *Jersey City Reporter* said recently that the PA has no intention of stepping in. As owner of some of the terminals the ferry services use, the Port Authority would have approval power of some of the route transfers, however. One report also said NJ Transit was examining its options regarding the ferry services.

After September 11, 2001, NY Waterway's ridership soared, and the company received millions in federal aid so it could offer service that replicated the PATH train schedules. But a few weeks ago, the company said it was facing cash flow problems due to the increase in the price of fuel, a diminished job market in Lower Manhattan, and a drop in ridership since downtown PATH service resumed. Overall **ridership fell 22 percent** this year. It also announced that beginning Nov. 1, it was cutting service on some routes. Waterway has also raised its fares twice in the last year.

Interestingly, robust cross-Hudson ferry service is a key element in New York City's plan to bring most Jets football fans via mass transit to a new west side stadium. ❖

New Steps Toward Car-Free Central Park

New York City announced this weekend that it would close four roadway entrances to Central Park and further restrict the hours when cars are allowed to use the park's loop drive. Where cars now have access to the drive from 10 p.m. to 10 a.m., in 2005 cars will be banned overnight and during morning hours before 7 a.m. They will be permitted on weekdays only from 7-10 a.m. and 3-7 p.m. The rules change makes car access to Central Park more the exception than the norm, while the closure of road entrances at West 77th and West 90th Streets and East 90th and 102nd Streets continues the slow but steady pace of de-paving the New York City's most famous green space. The changes are good moves by the NYC transportation and parks departments and a big victory for **Transportation Alternatives**, which has campaigned for a car-free park for over a decade. ❖

Downtown Brooklyn Transportation Study Commences

A public meeting for the "Downtown Brooklyn Transportation Blueprint," a new NYC DOT planning effort meant to determine transportation needs for the next 20 years, will be December 6th at Brooklyn Borough Hall. It's good news the agency is beginning a dialogue on how the area will deal with what many project to be a big development boom during that time frame.

The study comes on the heels of a recent Downtown Brooklyn rezoning which could accommodate 5-6 million square feet of office and retail development and 1,000 units of new housing. Forest City Ratner's proposal for a mixed use development and NBA Basketball arena at Flatbush and Atlantic Avenues may further stress the local transportation network. The blueprint will seek to identify transportation priorities to accommodate both short- and long-term growth.

Ideas likely to be broached are bus rapid transit techniques, East River bridge tolls, implementing the recommendations of a downtown Brooklyn traffic calming study carried out over many years (see *MTR #424*) and rail and ferry connections to connect the area to suburban workforces.

Economic development in the area will depend on a fast, reliable transportation network. Given downtown Brooklyn's congestion levels today, curbing car traffic with a variety of means will be vital to the district's success as a 24-hour commercial, residential and entertainment hub. It will be interesting to see whether the public calls on the city to institute developer impact fees or other techniques to pay for needed transportation improvements. ❖

Suffolk Road Projects Give Way to Smart Growth

A “smart growth summit” organized last week by **Vision Long Island** brought to light several cases where bad road projects have given way to impressive village development and forward-thinking transportation plans.

The Town of Brookhaven approved a series of land use and design changes, championed by Councilman Edward Hennessey, for a section of the Montauk Highway in the Hamlets of Mastic and Shirley along the south shore. Hennessey noted how he and civic groups looked to federal regulations to stop the Suffolk County Dept. of Public Works’ (DPW) plan to widen a portion of the roadway. Hennessey said the town launched a new land use plan to counter the proposal, and insisted that the road conform to it.

The new plans for the highway are the result of a February 2002 visioning process coordinated by Vision Long Island and a local architect. It allows 2.5 story buildings, outlines three town centers, and requires parking in the rear of buildings. The environmental assessment for the road now proposes **roundabouts, bike lanes and sidewalks** — all major improvements over the county’s original plan.

Another Suffolk County DPW project — to widen Portion Road (county route 16) in Lake Ronkomoma from three to five lanes — has also been transformed via strong public involvement. A recent visioning process, involving the DPW, elected officials, businesses, and hundreds of citizens, prompted a design that incorporates bike lanes, sidewalks, and no road widening. A local leader noted, “**People at the session were asking for density!**”

Other news emphasized successful downtown and in-fill strategies. Glen Cove mayor Mary Ann Holzkamp described how sprawl had eroded the downtown, and how she and her predecessor Thomas Suozzi worked for years to bring development back. The Avalon, a multi-story residential development is now completed, and the waterfront continues to improve. Businesses are now benefiting from the “booming” downtown. Hempstead Town supervisor Kate Murray discussed the former raceway near the Meadowbrook Parkway, now slated for almost 400 mixed income rental units, 10% for seniors, 10% affordable. Thanks in a large part to Oyster Bay Supervisor John Venditto, Oyster Bay’s local zoning code has a classification for “next generation housing,” a new code for affordable housing.

Hennessey noted that pressure from civic groups allows elected officials to “move the monster” of innovative planning through political channels. ❖

MTR#481 Contributing: Nancy Christensen

Editors: Jon Orcutt, Kate Slevin

350 West 31st Street #802 , New York, NY 10001 tel. (212) 268-7474 fax (212) 268-7333 tstc@tstc.org

Calendar

December 1, 4-8pm. Meeting on proposed NJ Transit West Trenton rail line. At NJ Dept. of Transportation headquarters, 1035 Parkway Avenue, Trenton. 973-491-8073

December 2, 12-2pm. Permanent Citizens Advisory Council to the MTA Meeting with Regional Plan Association President Robert Yaro. 5th Floor, 347 Madison Ave., Manhattan. 212-878-7087. www.pcac.org

December 2, 6-8pm. *Downtown Goes Global: Planning for the Lower Manhattan Rail Link.* Municipal Arts Society Series on Lower Manhattan. St. John's U. Lower Manhattan Campus, 101 Murray St., RSVP 212-935-3960.

December 6, 4:30-6:30, Downtown Brooklyn Transportation Blueprint public meeting, Brooklyn Borough Hall, 2nd floor courtroom, 718-222-7271, russso2@dot.nyc.gov

December 6, 1pm. NJ Transportation Commissioner Jack Lettiere address — *Land Use and Transportation.* Voorhees Transportation Center, Special Events Forum, 33 Livingston Ave., New Brunswick. 732-932-6812.

December 6, 5pm. MTA Public Hearing on the proposed fare increase for the CityTicket on the Metro-North and LIRR. 5th Floor, 347 Madison Ave. btwn 44th and 45th sts., Manhattan. www.mta.info

December 7, 4-8pm. Meeting on proposed NJ Transit West Trenton Rail Line. Hillsborough Municipal Complex, 379 South Branch Road. 973-491-8073

December 14, 6-8pm. *Vision 42-Auto-Free Light Rail Blvd. for 42nd Street. Preliminary Results of Technical Studies.* Lecture. NYPD Downtown Center, 104 Washington St., North of Rector, Conf. Rom, Manhattan. 212-475-3394. www.auto-free.org

[more calendar entries at www.tstc.org](http://www.tstc.org)

TRI-STATE TRANSPORTATION CAMPAIGN



Mobilizing the Region