

NORTH JERSEY TRANSPORTATION PLANNING AUTHORITY, INC.

PROJECT PRIORITIZATION COMMITTEE

*COUNTY EXECUTIVE DENNIS McNERNEY, CHAIRMAN
FREEHOLDER GENE FEYL, VICE CHAIRMAN*

Minutes

April 21, 2008

I. Roll Call of Members

Vice Chairman Freeholder Gene Feyl called the meeting to order at 10:45 a.m. Nine voting members were present.

II. Approval of Minutes

A motion to approve the minutes of the March 24th meeting was made by Hunterdon County, seconded by Ocean County, and carried with seven affirmative votes. There were two abstentions

III. RTAC Comments on Action Items

Deena Cybulski, Vice Chairman of the RTAC, noted that the status of the Tier Two List of unfunded projects in the FY 2009 Capital Construction Program (CCP) is of particular concern. Martin Hofler, Central Staff, reported on the status of the list during the information items portion of the meeting.

IV. Action Items

1. Approval to Amend Several NJTPA Local Lead Projects in the FY 2008 – 2011 Transportation Improvement Plan (TIP) and of the Accompanying Air Quality Conformity Determination

Eve Chamberlain, Central Staff, reported on the amendment, which was requested by Essex County and NJTPA staff. She said that the Central Avenue Roadway Resurfacing and Intersection Improvement Project already is at a point where it can use the \$6 million programmed for it in FY 2009. Ms. Chamberlain said that two other Local Lead projects could serve as resources for this funding in FY 2008:

- The Helen Street Extension from Antonett Street to Metuchen Road (Middlesex County) must be deleted from the TIP. The project's sponsor decided not to advance it, and its deletion will make \$2.145 million available for reprogramming.
- Final design for the Monmouth Bridge S-31 project (Monmouth County) will be delayed until FY 2010, leaving \$5 million available for reprogramming.

Ms. Chamberlain said that the action would reprogram \$6 million to the Central Avenue project and \$1.145 million to the NJTPA Future Projects line item. Funds in the line item are available for emerging Local Lead project needs.

A motion to approve the resolution was made by Ocean County, seconded by Bergen County and carried unanimously.

2. Approval to Amend Two I-78 Projects in the FY 2008 – 2011 TIP and Approval of the accompanying Air Quality Conformity Determination

Ms. Chamberlain reported on another amendment, which was requested by NJDOT. She said that there is an urgent need to advance the Route I-78, East of Tunnel Road to East of Beaver Brook Resurfacing project in Hunterdon County immediately because of extreme roadway deterioration. She said that \$10.6 million is available for this project, because another Route I-78 project (the Diamond Hill Road Interchange in Union County) is being reevaluated and will be removed from of the TIP upon approval of this action.

A motion to approve the resolution was made by Hunterdon County, seconded by Ocean County and carried unanimously.

3. Approval of the Route 1&9T St. Paul's Avenue Bridge Initial Financial Plan

Ann Ludwig, Central Staff, explained that SAFETEA-LU Section 23USC 106(i) requires recipients of federal financial assistance for projects costing \$100 million to \$500 million to prepare a financial plan. The plan must cover five content areas: cost estimate, implementation plan, financing and revenues, cash flow, and risk identification and mitigation factors. She reported that NJDOT submitted an initial financial plan for the Route 1&9T, St. Paul's Avenue Bridge project (Hudson County) for review by Central Staff. Ms. Ludwig said that staff found the project to be consistent with the fiscal constraint requirements of the Regional Transportation Plan (RTP) and the FY 2008 TIP.

During the wide-ranging general discussion that ensued, Tom Wospil and Steve Hochman, NJDOT, fielded several questions. Mr. Hochman is the Route 1&9T St. Paul's Avenue project manager. The following points were noted:

- One or two more project financial plans will be submitted to the PPC for approval by January;
- Approval of the Route 1&9T St. Paul's Avenue Bridge Initial Financial Plan represents the NJTPA's commitment to see the project through;
- If the bidding process yields a project cost that is higher than anticipated, the financial plan would have to be adjusted, and NJDOT and the NJTPA must work together to determine which projects in the TIP would serve as funding resources to make up the shortfall; and

- The total cost of the project is \$341.2 million, and the construction phase will require authorization of \$261.3 million. The resolution was amended to reflect this.

A motion to approve the resolution as amended was made by Ocean County, seconded by NJDOT and carried unanimously.

V. Information Items

1. TIP Development Schedule

Ms. Ludwig, summarized a tentative schedule for the development of the FY 2009 TIP. Executive Director Mary K. Murphy, Central Staff, announced that the original committee and board meeting dates for adoption of the TIP will need to be rescheduled because of the delay in finalizing the Capital Program.

Concerning the format of the FY 2009 TIP, Ms. Murphy explained that, although the TIP is developed from the 10-year Capital Construction Program, only four years are federally required to be shown.

2. Tier Two List Project Update

Mr. Hofler explained that, at the last PPC meeting, Central Staff was directed to prioritize the Tier Two list of 34 projects that were not included in the FY 2009 Capital Construction Program (CCP). He said that staff prioritized the list by work phase, so that projects that have had the most investment would be advanced if funding should become available. Mr. Hofler said that projects that are ready for construction will have the highest ranking, followed by projects in right-of-way and then those in design and then preliminary design.

Mr. Hofler noted that staff highlighted four projects, which have been underway for more than 10 years, and he said there is a possibility that the Federal Highway Administration (FHWA) may terminate them. He explained that the US Department of Transportation has a 10-year rule: a project that has received federal funding, but is not programmed for construction within 10 years of receiving the first federal authorization will be terminated, unless an extension is granted. Also, the federal funds allocated to the project to that point would have to be repaid.

Mr. Hofler pointed out that the four highlighted projects were not included in the draft Capital Construction Program, which is fiscally constrained for the next 10 years, and therefore the FHWA may perceive that there is no commitment to construct them. Mr. Hofler reported that the NJTPA and NJDOT would meet with FHWA to clarify the matter.

Mr. Hofler said that the other 30 projects on the prioritized Tier Two list are not yet ready for design work, and staff would score them over the next two months and present the scores to the committee for review.

Mr. Wospil reported that the 10-year rule was established in 1999 but was not enforced regarding major TIP projects until recently. He said that, for the past two years, NJDOT handled small ticket projects to which the 10-year rule was applied by paying back federal funding with state

dollars, usually from state line items. He said that this process was conducted without consultation with the NJTPA. He said that NJDOT will continue to handle smaller ticket items with no impact on the region. Ms. Murphy pointed out that the funds used to pay back the USDOT could come from state programs such as repaving, which could have an affect on the region.

Freeholder Feyl stressed that the Committee must be part of the process no matter what level of funding is involved and indicated that NJDOT should work with the Committee to find ways to prevent the termination of the four endangered projects and the waste of funds already invested. The projects are:

- Route 23, Sussex Borough Realignment & Papakating Creek Bridge (Sussex County);
- Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange (Passaic County);
- Route 206, Old Somerville Road to Brown Avenue (Somerset County); and
- Route 10, Commerce Boulevard Improvements (Morris County)

Mr. Wospil said that NJDOT would work with the Committee to find solutions to the problem, and he agreed that a process for dealing with the application of the 10-year rule must be developed among the partner agencies.

Cliff Sobel, Central Staff, noted that the Local Scoping Program is undergoing a similar situation. He stressed the importance of ascertaining what level of flexibility the FHWA would exercise.

Howard Immordino, NJDOT, who has extensive experience on project closeouts and 10-year extensions, pointed out that, if a project has no environmental document (i.e., no final determination has been made under the National Environmental Policy Act), NJDOT can close it without having to refund the federal funding.

Referring to three of the highlighted projects that need only minimal funding to advance in FY 2009, Freeholder Feyl said it would be fiscally irresponsible to allow them to be lost.

The Freeholder suggested that a statement of consensus for responding to “projects at risk” due to the 10-year issue should be included in the meeting minutes. The following procedure gained the consensus of the Committee:

NJDOT will notify the Committee of projects that are at risk because of enforcement of the 10-year rule. Once a determination is made by FHWA that a project will be terminated (and a payback of previously spent federal funds will be required), NJDOT will work with the NJTPA to identify sources for the payback.

Mr. Wospil noted that legislators have the ability to insert a line item with no funding attached to it into the appropriations bill, pending future availability of funding. Freeholder Zellman reiterated that the PPC wants to be part of the process of deciding the fate of projects and their ultimate cost.

Next Steps:

- Clarification of the application of the 10-year rule would be sought from FHWA. Mr. Wospil said a meeting between the FHWA, NJDOT and NJTPA will convene in May.
- Freeholder Zellman indicated that copies of the Tier Two projects list would be available for interested state legislators.

VI. Adjournment

At 12:00 p.m., a motion to adjourn was made by Ocean County, seconded by Hunterdon County and carried unanimously.

Project Prioritization Committee
ATTENDANCE
April 21, 2008

VOTING MEMBERS	
Freeholder Gene Feyl, Vice Chairman	Morris County
Freeholder Susan Zellman	Sussex County
Freeholder Matthew Holt	Hunterdon County
Donna Orbach	Bergen County
Anthony Gambilonghi	Middlesex County
Sayed Moafi	Monmouth County
Richard Lane	Ocean County
Thomas Wospil	NJDOT
Richard Roberts	NJ Transit
O T H E R S	
Freeholder Pasquale Lepore	Passaic County
Stacy Perrine	Ocean County
Brian Wahler	NJ Turnpike Authority
Karen Stalcup-Finch	NJDOT
Steve Hochman	NJDOT
Tom Drabic	Sussex County
Frank T. Marsella	PANYNJ
Gerald Rohsler	Morris County
Deena Cybulski	Morris County
Liza Betz	Union County
Walt Lane	Somerset County
Karen Rouse	Bergen Record
Mary Kay Murphy	Central Staff
Karen Shannon	Central Staff
Cliff Sobel	Central Staff
Martin Hofler	Central Staff
Ann Ludwig	Central Staff
Eve Chamberlain	Central Staff
Brian Fineman	Central Staff
Lois Goldman	Central Staff
Sascha Brathwaite	Central Staff
Keith Miller, Tracy Lockhart	Central Staff
Ted Matthews	Central Staff
Beverly Morris	Central Staff