



Department of Transportation

**TESTIMONY OF MATTHEW J. DRISCOLL, COMMISSIONER
NEW YORK STATE DEPARTMENT OF TRANSPORTATION
BEFORE THE JOINT LEGISLATIVE FISCAL COMMITTEES
HAMILTON HEARING ROOM B, LEGISLATIVE OFFICE BUILDING
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INTRODUCTION

Chairperson Young, Chairperson Farrell, Chairperson Robach, Chairperson Gantt and members of the Finance, Ways and Means and Transportation committees, thank you for this opportunity to discuss Governor Cuomo's Executive Budget as it pertains to the Department of Transportation (DOT) for the 2017-18 State Fiscal Year (SFY).

I'd like to begin with stating how honored I am to serve as the 12th Commissioner of the Department of Transportation. During the course of my more than 20 years of public service, I've worked with many talented, dedicated, and wonderful individuals, none more so than those I now have the opportunity to work with at the DOT. Their extraordinary professionalism and work ethic are the reasons that New York State's multi-modal transportation systems are among the most dependable and highly regarded in the nation. I'd like to take this opportunity to publically thank the woman and men of the Department. Thank you for all you do.

PROJECT AND PROGRAM STREAMLINING

As the previous owner of successful small businesses, I came to understand and appreciate the inherent value of a dollar and - as such - I did all I could to control expenses while maximizing returns on the investments I made. I instilled that same discipline throughout my tenure as Mayor of the City of Syracuse, and now as the Commissioner of a State Agency with an \$11.6 billion annual budget, I bring that same approach to this Department. I have worked with Governor Cuomo to institute a performance-based accountability culture within DOT that has demonstrated that government can be run more efficiently and that the public's money can be spent more effectively.

The Department aggressively streamlined the project selection, design, procurement and delivery processes. As you well know, DOT is successfully using new procurement methods, such as design-build, pre-qualification of contractors and best value, in addition to the traditional design-bid-build procedure to deliver its capital program. I will talk more about these procurement techniques in a few moments. But perhaps little known is the entrepreneurial spirit that these new techniques have enabled, including the design, development and deployment of new innovative construction methods and the use of state-of-the-art materials such as precast bridge elements, rapid set or ultra-high-performance concrete and slide-in bridge construction. These innovative methods have reduced both the cost and time it takes to

design and deliver construct projects – and as we all know – the more efficient we are with tax payer money the better!

Last year I informed this Committee that I would address the Department's process to accelerate construction and ensure that the DOT capital program is creating jobs and facilitating local economic development. I have since directed the Department to accelerate the award of projects so that construction can begin earlier. By accelerating the timing of procurements, we will now take full advantage of the limited construction window in the Northeast. As a result, projects which would have been completed over two construction seasons can now be delivered in one.

DESIGN BUILD

One of our best tools for saving time has been design-build. Prior to the enactment of the Infrastructure Investment Act of 2011 (Act), DOT delivered construction contracts through a traditional Design-Bid-Build process. By combining the design and construction phases of a project into one contract, project delivery is more efficient, and project benefits are delivered to the public sooner.

Since being signed into law in 2011, DOT has awarded 25 Design-Build contracts valued in excess of \$1.2 billion. These projects are underway throughout the State, and the results are overwhelmingly positive: projects are being delivered sooner; on-budget; and jobs are being created. In addition to these contracts there are currently 5 more under procurement, totaling an additional \$360 million. The Department has also identified 14 projects statewide in excess of \$900 million that may be candidates for design-build in the future. The Act's benefits make it clear that Design-Build authority should be made permanent.

Design-Build was never intended to replace the traditional Design-Bid-Build method, nor will it, but it has - without question – been a valuable tool to accelerate projects that would not have otherwise advanced for years. To sustain this positive momentum - the Governor has included a proposal in his Executive Budget to permanently extend these procurement techniques and I urge you to support this proposal.

SFY 2017-18 EXECUTIVE BUDGET

Last year, with your strong support, DOT realized the first long-term transportation infrastructure investment plan in nearly a decade. The Department is currently delivering the second year of the \$21.1 billion five-year investment in our roads and bridges, rails, transit systems and airports - from Montauk to Niagara Falls. Together, these collective investments will keep New York's economy growing into the next century while creating 250,000 construction jobs. Senator Robach asks me often about delivery - so to illustrate the enormous economic impact of the Department's capital plan, since last April - DOT awarded projects will have utilized more than 90,000 tons of steel, the amount of steel used to manufacture 90,000 automobiles; more than 6.7 million tons of asphalt, the equivalent of paving a four lane highway from New York to California; and more than 280,000 cubic yards of concrete, or four and a half times the amount of concrete used to construct the Empire State building.

To sustain this momentum, New York must continue to invest in building infrastructure in every region of the State. The Executive Budget released last month will do just that!

The Governor's Executive Budget proposal for the Department of Transportation not only honors the commitments made through the DOT five-year capital plan; this proposed budget provides an additional \$1.2 billion in new resources to improve roadway access to and from JFK, and to accelerate the construction of several major regional projects by as much as three-years; those projects will include, among others, the construction of the Town of Woodbury Transit and Economic Development Hub (State Route 17/32 interchange); construction of the second phase of the new Kosciuszko Bridge in New York City; reconstruction of State Route 198/the Scajaquada corridor in Buffalo; and the replacement of the passenger rail station in Schenectady. The Executive Budget also sustains the record-level funding for local road and bridge assistance under the CHIPS; Marchiselli; PAVE NY and BRIDGE NY programs.

I am also pleased to provide status updates on several of the new transportation infrastructure initiatives announced last year:

- The Upstate Airport Economic Development and Revitalization Competition – This \$200 million competition announced by Governor Cuomo last year challenged upstate airports to envision bold new plans to enhance safety, improve operations and access, reduce environmental impact and create a better passenger experience. The first two winners, Elmira Corning Regional Airport and Greater Rochester International Airport, submitted innovative and transformative plans. Elmira was awarded \$40 million to support a \$60 million re-imagining of the airport—increasing capacity, enhancing security, improving retail options, and modernizing to compete in the 21st century global economy. Rochester was awarded \$39.8 million to support its \$54 million plan to bring new sustainability features into the airport, increasing capacity and safety, and promoting innovation at the site.

To build on this success, the Governor recently announced the winners of Round Two of the Upstate Airport competition. The Syracuse-Hancock International Airport will receive \$35.8 million to support a \$54 million project, including a state-of-the-art centralized security checkpoint, a revitalized terminal facade and two completely redesigned concourses; and \$38 million awarded to the Plattsburgh International Airport to support \$43 million in investments to increase capacity, including construction of a new air cargo receiving and distribution center and the establishment of a new customs facility.

- Last month I notified municipalities across the State of the results of the \$200 million in competitive funding awards for Bridge NY under the current two-year solicitation. The BRIDGE NY program provides critical funding for local governments to rehabilitate and replace bridges and culverts across every region of the state. By providing BRIDGE NY funding to local governments, New York is building safer, more reliable bridges, protecting public safety, and supporting the economic competitiveness of communities by improving local infrastructure. This year's awards will support 93 bridge and 39 culvert rehabilitation and replacement projects. At least one municipality in every county of the State that applied for funding will be receiving an award for a bridge or culvert project under this new program.

CONCLUSION

Over the next several years, the implementation of the Department's long-term transportation plan will play a central role in the State's economic growth. The acceleration of strategic investments in transportation infrastructure, as proposed in the Executive Budget, will serve as a catalyst for job creation, access to new global markets and enhanced community quality of life. To that end, NYSDOT will ensure that through continued investments in transportation programs we will foster economic opportunity in New York State. It is what New York must do to sustain its position as the Empire State!

Thank you for your time and I am happy to respond to any questions you may have regarding DOT's budget.