



North Jersey Transportation Planning Authority, Inc.

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

Freeholder John Bartlett, Chair
Freeholder Matthew Holt, Vice Chair

PROJECT PRIORITIZATION COMMITTEE

Freeholder Kathy DeFillippo, Chair
County Executive Joseph DiVincenzo, Vice Chair

February 18, 2020

10:30 AM

-
- I. Roll Call
 - II. Salute to Flag
 - III. Approval of Minutes
 - IV. Regional Transportation Advisory Committee (RTAC) Report – Mark Jehnke, Ocean County
 - V. Action Items

Project Prioritization Committee

- 1. FY 2021 Freight Concept Development Program Studies – Jakub Rowinski, Central Staff (Attachment PPC-1)
- 2. Four Minor Amendments to the FY 2020-2023 Transportation Improvement Program as Requested by the New Jersey Department of Transportation – Eve Chamberlain, Central Staff (Attachment PPC-2)
- 3. Modifications to the FY 2020-2023 Transportation Improvement Program to Add Federal Funds to the Route 206, Valley Road to Brown Avenue Project as Requested by the New Jersey Department of Transportation – Eve Chamberlain (Attachment PPC-3)
- 4. 2019 Financial Plan Update for the Route 3/Route 46, Valley Road and Notch/Rifle Camp Road Interchange Project – Ann Ludwig, Central Staff (Attachment PPC-4)
- 5. 2019 Financial Plan Update for the Route 72 Manahawkin Bay Bridges Project – Ann Ludwig (Attachment PPC-5)
- 6. 2019 Financial Plan Update for the Route 206 Project in Somerset County – Ann Ludwig (Attachment PPC-6)

Planning and Economic Development Committee

- 7. Approval of the FY 2021 Unified Planning Work Program – Angel Young, Central Staff (Attachment PEDC-7)

VI. Information Items

1. Plan 2050 Overview – Lois Goldman, Central Staff
2. Trans-Hudson Update – Dave Behrend, Central Staff
3. Federal Policy Update – Dave Behrend

VII. Written Information Items

1. CMAQ Solicitation for Spring 2020 (TCAMs and Local Mobility) – Liz DeRuchie and Peter Bilton, Central Staff
2. Kickoff of Accessibility and Mobility Strategy Synthesis – Eugene McGuinness, Central Staff
3. Coordination on NJ TRANSIT Public Transit Agency Safety Plan – Keith Miller, Central Staff
4. Together North Jersey (TNJ) Update – Jeff Perlman, Central Staff
5. UpNext Update – Ted Ritter, Central Staff

VIII. Other Items

IX. Next Meeting: April 20, 2020, **10:30 a.m.**

X. Adjournment



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Freeholder John Bartlett, Chair

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Joint Meeting Agenda

Written Information Items

February 18, 2020

10:30 AM

VIII. Written Information Items

1. Congestion Mitigation Air Quality (CMAQ) Solicitations for Spring 2020 Transportation Clean Air Measures (TCAMs) and Local Mobility Initiatives Program

Liz DeRuchie and Peter Bilton, Central Staff

The NJTPA is issuing separate solicitations for the TCAM and Local Mobility Initiatives Programs, which are funded through the federal CMAQ program. The TCAM Program consists of projects that are eligible under federal CMAQ guidelines, are ready to implement, demonstrate the potential for reductions in emissions and congestion, and meet or exceed the requirements for matching funds. The Local Mobility Initiatives program provides both operating and capital support for shuttle services that reduce single occupancy vehicle trips and congestion, improve air quality, and encourage and increase transit use.

A public information session to provide information about the two programs is anticipated for March. It will provide guidance on the application process as well as project eligibility. Following the session, those interested will be asked to submit thumbnail sketches of proposed projects. For projects that meet requirements, sponsors will be invited to submit full applications.

2. Kickoff of Accessibility and Mobility Strategy Synthesis

Eugene McGuinness, Central Staff

On January 31, the NJTPA held the kickoff event for its Congestion Management Process (CMP) update study, the Accessibility and Mobility Strategy Synthesis. The eighteen-month study is currently underway and is supported by consultants ICF, AECOM, and Fitzgerald and Halliday, Inc. This study will generate a narrative about the needs and strategies in the region that will be included in the upcoming Long Range Transportation Plan. Subregions, partner agencies, and other stakeholders attended the meeting, where staff gave a summary of the

feedback from last November's CMP Workshop. The meeting also included an overview of the project and a group discussion about potential goals, objectives, and performance measures that will guide later steps.

3. Coordination on NJ TRANSIT Public Transit Agency Safety Plan

Keith Miller, Central Staff

Central Staff met with NJ TRANSIT and the other New Jersey MPOs on January 10, to discuss the FTA-required Public Transit Agency Safety Plan (PTASP), which includes safety performance measures and targets for NJ TRANSIT bus and light rail. This plan is anticipated to be finalized by July 2020, after which NJTPA will have 180 days to either support NJ TRANSIT's system-wide targets or set specific numeric targets for the NJTPA region. The required transit safety performance measures include, for each transit mode, the number and rate (per total vehicle revenue miles) of reportable fatalities, reportable injuries, and safety events. The final measure is the mean distance between major mechanical failures by mode. Note that the NJ TRANSIT PTASP will not cover rail transit, nor is a PTASP required for PATH, because those transit modes are overseen by the Federal Railroad Administration (FRA).

4. Together North Jersey (TNJ) Update

Jeff Perlman, Central Staff

The next convening of the TNJ Forum and task forces will be held March 20 at the Bloustein School for Planning and Public Policy at Rutgers University in New Brunswick. The Resilient Task Force recently completed an on-line Sustainability Toolkit for county and municipal governments and is available on the TNJ website. Local Technical Assistance to the City of Hackensack and the Borough of Bound Brook has commenced with stakeholder meetings taking place this month.

5. UpNext North Jersey Update

Ted Ritter, Central Staff

The NJTPA's pilot advisory committee for young adults, UpNext North Jersey, is off to a strong start. After holding kickoff meetings at the NJTPA and in New Brunswick last fall, UpNext held its first subregion-based event at the Paterson Museum and the Great Falls in Passaic County on January 25.

UpNext North Jersey was created to engage civic-minded young adults in the region's transportation planning process. This new group was established in the Public Engagement Plan adopted by the NJTPA Board in 2018; it's open to residents of the NJTPA region who are between 18 and 30 years old and has about two dozen members.

Passaic County Freeholder John Bartlett welcomed the group and provided information about transportation planning efforts in the county. The group learned about two NJTPA-funded studies underway, the Main Avenue Local Concept Development Study in the City of Passaic and the Paterson-Newark Transit Market Study. Members living and working in the area were encouraged to provide feedback for those studies. The group also provided general input on their transit use and technology and infrastructure improvements they'd like to see made in the future. This feedback will help inform the next long-range transportation plan.

Future events are planned for Asbury Park in March and Raritan Borough in early summer. If your subregion is interested in getting young adults involved in a subregional study or another project, please let Ted Ritter know. More information about UpNext North Jersey is available at www.njtpa.org/UpNext.



Angel G. Estrada, Chair
Mary D. Ameen, Executive Director

PROJECT PRIORITIZATION COMMITTEE

Freeholder Kathy DeFillippo – Chair
County Executive Joseph DiVincenzo – Vice Chair

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

Freeholder John Bartlett – Chair
Freeholder Matthew Holt – Vice Chair

Joint Meeting Minutes December 9, 2019

I. Roll Call of Members

Project Prioritization Committee Chair Freeholder Kathy DeFillippo, Morris County, called the meeting to order. Ted Ritter, Central Staff, called the roll. Twelve voting members of the Project Prioritization Committee (PPC) and eight voting members of the Planning and Economic Development Committee (PEDC) were present.

II. Approval of Minutes

A motion to approve the minutes of the October 21, 2019 meeting was made by Morris County, seconded by Middlesex County and carried with 14 affirmative votes. Hunterdon, Somerset, and Monmouth counties abstained.

III. Presentation: Electric Vehicle Programs Available to Local Governments: Andrea Friedman, NJ Department of Environmental Protection

Freeholder DeFillippo said that Ms. Friedman was unable to attend the meeting and that she would present at a future Joint Committee meeting.

IV. Regional Transportation Advisory Committee (RTAC) Update

RTAC Chair Mark Jehnke, Ocean County, reported that, at their December meeting, the Committee was briefed on the progress of the 2020 State Highway Safety Plan now under development. It will establish state goals and incorporate performance measures. Information on the plan can be found at SafeRoadsforAllNJ.com. He said the committee was also briefed by Central Staff on the FY 2021 Unified Planning Work Program (UPWP), efforts to gather local bridge data, an update of the cost-tracking system and other topics. The committee reviewed the action items to be considered at today's Joint Committee meeting.

V. PPC Action Items

1. Approval of a Minor Amendment to the FY 2020-FY 2023 Transportation Improvement Program to Add North Plainfield Downtown Streetscape and Pedestrian Improvements, Somerset County

Eve Chamberlain, Central Staff, said approval of this item would fund the final phase of the project, with funding available from a federal appropriations act. A motion to approve the resolution was made by Middlesex County, seconded by Essex County and carried unanimously.

2. Approval of a Minor Amendment to the FY 2020-FY 2023 Transportation Improvement Program to Add the Fifth Avenue Bridge (aka Fair Lawn Avenue Bridge) over Passaic River Project in Passaic County.

Ms. Chamberlain said the action would advance the project to construction. A motion to approve the resolution was made by Union County, seconded by Bergen County and carried unanimously.

VI. Information Items

1. FY 2021 UPWP Draft Report

Angel Young, Central Staff, said the draft FY 2021 UPWP was posted to the NJTPA website and submitted to the New Jersey Department of Transportation (NJDOT) on December 6, 2019. She requested that comments on the draft work program be submitted by January 11 for incorporation into the final draft, which will be presented to the PEDC at the February joint meeting and to the Board for adoption in March.

Ms. Young distributed a PowerPoint presentation with a general overview of the draft UPWP and highlights of new activities for FY 2021; a budget summary, a table with the draft list of proposed consultant/contractual activities; and two charts with the allocation of Budget Revenues and Expenditures FY 2021.

Ms. Young noted that the FY 2021 UPWP organizational structure includes minor changes to programmatic divisions in Chapter I – Central Staff Activities. Additionally, the new format more clearly defines which task activities are Continuing Long-Term Core Task Activities, Continuing Short-Term Task Activities, and New Task Activities. She read a list of new consultant activities for the year and noted that NJTPA will be continuing joint efforts with Rutgers, NJ TRANSIT and NJIT on Innovative Public Outreach, TNJ advancement, Hudson Bus Study and Transportation Tools initiatives. She noted that, for FY 2021, the Subregional Studies program (UPWP Chapter II) will include funding for two new studies along with five continuing from FY 2020.

2. Trans-Hudson Update

Dave Behrend, Central Staff, said there has not been any change in the status of the Portal Bridge or Hudson River Tunnel projects, as far as the Federal Transit Administration (FTA) advancing its review. The FTA has given these projects a less-than-desirable rating over the last couple of cycles, and it is hoped that the revised financial plan that was submitted will improve the outlook for these important projects. He noted that FTA usually releases the annual ratings around February or March.

Mr. Behrend reported that the NJTPA hosted a Port Authority of New York & New Jersey (PANYNJ) stakeholders update meeting for their Trans-Hudson Rapid Transit Study. He said, even with improvements like the Portal Bridge and the tunnels, there will still be the need for more capacity in the future. Planners with the PANYNJ discussed their work to identify commuter markets in North Jersey and job markets in Manhattan with the greatest potential to generate ridership and reduce demand on the Port Authority Bus Terminal.

Mr. Behrend said the meeting featured lively discussion about the challenges facing travelers in North Jersey, the future of development in the region and New York City, and how both sides of the river can work together to address these emerging issues.

3. Federal Transportation Policy Update

Mr. Behrend said, over the past several weeks, the NJTPA, NJDOT and virtually all Metropolitan Planning Organizations and departments of transportation in the country had been concerned about the potential impacts of a multi-billion dollar federal rescission on projects and planning across the country, but Congress and the President acted to repeal the rescission on November 21. However, he said, there is still a major funding concern to be addressed—a continuing resolution funded the federal government only through December 24. He said the good news is that there seems to be a willingness on both sides to look past contentious issues to at least get another continuing resolution through and while there is a strong preference to get a package of 12 spending bills approved, there simply may not be enough time for that to happen. Mr. Behrend announced that the Metropolitan Area Planning or MAP forum will hold its annual meeting at NYMTC's offices in New York City on January 17.

VII. Next Meeting: February 18, 2020, at **10:30 a.m.**

VIII. Adjournment

At 10:45 a.m., a motion to adjourn was made by Middlesex County, seconded by Passaic County and carried unanimously.

**JOINT COMMITTEE MEETING
ATTENDANCE
December 9, 2019**

NAME	AFFILIATION
Project Prioritization Committee	
Hon. Kathy DeFillippo	Morris County
Hon. Josh Hertzberg	Sussex County
Joseph Baladi	Bergen County
David Antonio	Essex County
Byron Nicholas	Hudson County
Ken Bogen	Hunterdon County
George Ververides	Middlesex County
Inkyung Englehart	Monmouth County
Liza Betz	Union County
Eric Powers	NJDOT
Lauren LaRusso	Governor's Authorities Unit
Jared Rodriguez	Citizen's Representative
Planning and Economic Development Committee	
Ken Wedeen	Somerset County
Liza Betz	Union County
Ken Bogen	Hunterdon County
Mark Jehnke	Ocean County
Eric Powers	NJDOT
Jay Shuffield	PANYNJ
Lauren LaRusso	Governor's Authorities Unit
Jared Rodriguez	Citizen's Representative
Other Attendees	
Tara Mezzanotte	Fence & Safety Concerns At Del. Water Gap
William Mason	French & Parrello Associates
Bob Werkmeister	GPI
Elias Guseman	Jersey City
Ryan Adams	Michael Baker, Int'l
Frank Scarantino	Mott MacDonald
Various members of Central Staff	NJTPA
Jay Shuffield	PANYNJ
Ken Wedeen	Somerset County
Tom Drabic	Sussex County

Attachment PPC-1

DRAFT RESOLUTION: APPROVAL OF THE FY 2021 FREIGHT CONCEPT DEVELOPMENT PROGRAM STUDIES

WHEREAS, the North Jersey Transportation Planning Authority Inc. (NJTPA) has been designated by the Governor of New Jersey as the Metropolitan Planning Organization (MPO) for the Northern New Jersey region; and

WHEREAS, the NJTPA region is a leading North American distribution and goods movement platform serving the local, national, and global consumer markets; and

WHEREAS, as outlined in NJTPA's long-range Regional Transportation Plan, *Plan 2045: Connecting North Jersey*, freight planning is a priority for the NJTPA, its subregions and planning partners; and

WHEREAS, over the past 10 years more than 1,000 potential freight projects have been identified in planning studies conducted in the NJTPA region; and

WHEREAS, many of these projects do not have a clear path forward toward implementation; and

WHEREAS, the NJTPA created a Freight Concept Development Program (FCDP) to provide an avenue to advance these freight projects ; and

WHEREAS, as part of this program NJTPA has developed a project intake process to identify and select projects for the FCDP and the intake process was approved by the NJTPA Freight Initiatives Committee in December 2018; and

WHEREAS, according to the project intake process the NJTPA developed a list of candidate projects for subregional consideration; and

WHEREAS, three NJTPA subregions made project requests from the list of candidate projects; and

WHEREAS, based on the results of the project intake process and subregional requests, NJTPA has selected two projects to advance into the FCDP starting in the FY2021 UPWP at a total budget not to exceed \$1,200,000.

WHEREAS, no action authorized by the NJTPA shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Board of Trustees has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

NOW, THEREFORE, BE IT RESOLVED, that the North Jersey Transportation Planning Authority, Inc., hereby approves the selection of the Berkshire Valley Road Truck Circulation Project in Roxbury, Morris County and the Port Reading Secondary South Main Street Grade Crossing Elimination Project in Bound Brook, Somerset County, for the FY 2021 Freight Concept Development Program.

BE IT FURTHER RESOLVED, that copies of this resolution be forwarded to the New Jersey Department of Transportation, Federal Highway Administration, Morris County and Somerset County.

Summary of Action

Approval of the FY 2021 Freight Concept Development Program Studies

Action: Approval of the FY 2021 Freight Concept Development Program Studies.

Background: The NJTPA region is a leading North American distribution and goods movement platform serving the local, national, and global consumer markets. The region includes the largest port on the Atlantic Coast, one of the leading air cargo airports in North America, nearly 830 million square feet of industrial property, and extensive roadway and rail freight networks.

The NJTPA's long range Regional Transportation Plan, *Plan 2045: Connecting North Jersey*, recognizes that freight planning is a priority for the NJTPA, its subregions, and planning partners, and that the need for investment in the freight system is great. Over the past 10 years more than 1,000 potential freight projects have been identified in planning studies conducted in the NJTPA region. Many of these projects do not have a clear path forward toward implementation.

In response, the NJTPA created the Freight Concept Development Program (FCDP) to provide an avenue to advance some of these projects toward implementation. This program is modeled on the Local Concept Development (LCD) phase of the NJTPA's Local Capital Project Delivery (LCPD) Program..

The NJTPA has developed a project intake process to identify and select projects to move into the FCDP. The NJTPA Freight Initiatives Committee approved this process at its December 2018 meeting. As part of the intake process, the NJTPA developed a list of candidate projects for subregional consideration. Three NJTPA subregions made project requests from the candidate list. Based on the results of the project intake process and subregional requests, NJTPA Central Staff has recommended two projects to advance into the FCDP starting in the FY 2021 UPWP at a total budget not to exceed \$1.2 million.

Summary of Action Item: This action will approve the selection of the Berkshire Valley Road Truck Circulation Project in Roxbury, Morris County and the Port Reading Secondary South Main Street Grade Crossing Elimination Project in Bound Brook, Somerset County, for the FY 2021 Freight Concept Development Program.

Staff Recommendation: Central Staff recommends approval of this action.

**DRAFT RESOLUTION: FOUR MINOR AMENDMENTS TO THE FY 2020 – 2023
TRANSPORTATION IMPROVEMENT PROGRAM AS
REQUESTED BY THE NEW JERSEY DEPARTMENT OF
TRANSPORTATION**

WHEREAS, the North Jersey Transportation Planning Authority, Inc. (NJTPA) has been designated by the Governor of New Jersey as the Metropolitan Planning Organization (MPO) for the northern New Jersey region; and

WHEREAS, the NJTPA formally adopted the FY 2020 – 2023 Transportation Improvement Program (TIP) on September 9, 2019; and

WHEREAS, the NJTPA on September 24, 2012 approved a Memorandum of Understanding (MOU) among the NJTPA, the New Jersey Department of Transportation (NJDOT), and NJ TRANSIT on procedures to amend and modify the State Transportation Improvement Program and the NJTPA TIP; and

WHEREAS, the TIP may be revised any time; and

WHEREAS, according to the MOU when federal funds above a specified threshold are added to a project, when federal funds are deleted from a project, or when the construction phase of work is moved out of the constrained years of the TIP, and a new air quality conformity determination is not required, this constitutes a minor amendment; and

WHEREAS, the New Jersey Department of Transportation (NJDOT) is requesting changes to four projects as follows: increased federal funding of \$24.290 million for *Route 72, Manahawkin Bay Bridges, Contract 1A & 1B, Ocean County (DB# 11385)*; increased federal funding of \$16.750 million for *Route 206, Doctors Way to Valley Road, Somerset County (DB# 780B)*; federal funding replaced with state funding for *Route 171, Route 130 to Lincoln Avenue, Middlesex County (DB# 15363)*; and construction rescheduled on *Route 23, Route 80 and Route 46 Interchange, Passaic County and Essex County (DB# 9233B6)*; and

WHEREAS, these minor amendments are exempt from an air quality conformity determination and do not impact the current conformity determination; and

WHEREAS, Congestion Management Process requirements do not apply to these actions; and

WHEREAS, the FY 2020 TIP conforms to the MAP-21/FAST Act performance-based planning requirements; and

WHEREAS, consistent with NJTPA public participation procedures, the NJTPA has provided opportunities for review of these actions; and

WHEREAS, no action authorized by the NJTPA shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Board of Trustees has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

NOW, THEREFORE, BE IT RESOLVED, that the North Jersey Transportation Planning Authority hereby approves the specified amendments to the FY 2020 – 2023 Transportation Improvement Program.

BE IT FURTHER RESOLVED that a copy of this resolution is forwarded to the New Jersey Department of Transportation for submission to the Federal Highway Administration.

Summary of Action

Four Minor Amendments to the Fiscal Year 2020 - 2023 Transportation Improvement Program as Requested by the New Jersey Department of Transportation

Action: In order to advance the following projects, the New Jersey Department of Transportation has requested amending the FY 2020 – 2023 Transportation Improvement Program (TIP) to adjust programmed federal funds.

Background: According to the *TIP Memorandum of Understanding*, a minor amendment to the TIP is required when federal funds above a specified threshold are added to a project, when federal funds are deleted from a project, or when the construction phase of work is moved out of the constrained years of the TIP, and a new air quality conformity determination is not required. A minor TIP amendment requires action by the NJTPA Project Prioritization Committee and the NJTPA Board of Trustees. The following revisions fall into the categories above, as detailed in the descriptions below. The actions are exempt from an air quality conformity determination and do not impact the current conformity determination.

Minor Amendments:

- **Route 72, Manahawkin Bay Bridges, Contract 1A & 1B, Ocean County DB# 11385**
The updated estimate for construction costs shows an increased need of \$24.29 million. National Highway Performance Program (NHPP) funds are available for this purpose (Federal Fiscal Year [FFY] 2020, NHPP, \$55 million)
- **Route 206, Doctors Way to Valley Road, Somerset County DB#780B**
The updated estimate for construction costs shows an increased need of \$16.75 million. NHPP funds are available for this purpose (FFY 2020, NHPP, \$48.75 million)
- **Route 171, Route 130 to Lincoln Avenue, Middlesex County DB# 15363**
This project has been fully funded with STATE funds according to the 2018 Capital Program; therefore, the federal funds programmed for construction (\$3.14 million) in FFY 2021 can be removed. (NHPP funding in FFY 2021 will be reduced to zero.)
- **Route 23, Route 80 and Route 46 Interchange, Passaic County and Essex County DB# 9233B6**
Funding for Construction will be shifted one year to FY 2024. The FY 2023 Construction funding will be reprogrammed to cover the cost increases of the Route 72 Manahawkin Bay Bridges and the Route 206 Doctors Way to Valley Road projects. (FFY 2024, NHPP, \$30.400 million)

The attached documents provide further details on the projects.

Justification for Action: Approval of these minor amendments to the FY 2020 – 2023 TIP will allow the funds to be secured and the projects to advance.

Staff Recommendation: Central Staff recommends approval of these actions.

PENDING ACTION

NJTPA

Transportation Improvement Program Fiscal Years 2020 - 2023

Routes: 72

Mileposts: 25.38 - 26.14
28.24 - 28.74

DBNUM: 11385

Name: Route 72, Manahawkin Bay Bridges, Contract 1A & 1B

Contract 1A will include Rt. 72 and Marsha Drive Intersection Improvements, reconstruction and widening of Rt. 72 and Marsha Drive, and reconstruction of a traffic signal. The project also includes the installation of new storm drainage systems, a detention basin, ITS improvements, highway lighting and utility relocations.

Contract 1B will include operational and safety improvements in Ship Bottom Borough, on Long Beach Island. Approx. 3000' feet of Rt. 72 (locally known as 8th and 9th Streets) and three cross roads (Barnegat Avenue, Central Avenue and Long Beach Boulevard) will be widened. Two-way traffic will be restored along Barnegat Avenue, Central Avenue and Long Beach Boulevard. Five traffic signals will be reconstructed. A new traffic signal will be installed at the intersection of 8th Street and Long Beach Boulevard. In order to reduce frequent flooding along Rt.72 and the intersections, a new storm drainage system will be installed. The project also includes the installation of bicycle and pedestrian accommodations, ITS improvements, highway lighting and utility relocations.

Counties: Ocean

Municipalities: Stafford Twp Barnegat Twp Ship Bottom Boro

Project Type:

RCIS Category: Bridges

Sponsor: NJDOT

Est. Total Project Cost: (Million) \$39.005

TIP:

CURRENT

FY 2020 - 2023 TIP Cost: (Million) \$30.710

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	CON	NHPP	\$30.710				
			\$30.710				

PENDING

FY 2020 - 2023 TIP Cost: (Million) \$55.000

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	CON	NHPP	\$55.000				
			\$55.000				

DATE SUBMITTED: 1/23/2020



State of New Jersey

DEPARTMENT OF TRANSPORTATION
1035 Parkway Avenue
PO Box 600
Trenton, New Jersey 08625-0600

MPO: **NJTPA**

PROJECT: **Route 72, Manahawkin Bay Bridges, Contract 1A & 1B**

DBNUM: 11385

TRACK #: N-11385-1-M-2020

TYPE OF PROJECT CHANGE: Project Cost increase

ACTION TAKEN: Increases NHPP funding for CON in FFY 20 from \$30.710M by \$24.290M to \$55.000M.

REASON FOR CHANGE:

Updated CON estimate received from the PM at the 1/8/20 mini-pool sheet meeting.

MPO ACTION REQUIRED: Action requires MPO board approval

FISCAL CONSTRAINT:

Comments: See NJTPA FY 20-29 FC Chart 2

CONFORMITY:

PUBLIC INVOLVEMENT:

PENDING ACTION

NJTPA

Transportation Improvement Program Fiscal Years 2020 - 2023

Routes: 206

Mileposts: 66.36-67.5

DBNUM: 780B

Name: Route 206, Doctors Way to Valley Road

This project, a breakout of "Route 206, Old Somerville Road to Brown Avenue (15N)" (Southern section), will provide congestion relief, and operational and safety improvements. The project will include widening from two lanes to four lanes, revision of three existing traffic signals and replacement of the bridge over Royce Brook. This project will be bicycle/pedestrian compatible.

Counties: Somerset

Municipalities: Hillsborough Twp

Project Type:

RCIS Category: Road Expansion

Sponsor: NJDOT

Est. Total Project Cost: (Million) \$52.713

TIP:

CURRENT

FY 2020 - 2023 TIP Cost: (Million) \$32.000

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	CON	NHPP	\$32.000				
			\$32.000				

PENDING

FY 2020 - 2023 TIP Cost: (Million) \$48.750

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	CON	NHPP	\$48.750				
			\$48.750				

DATE SUBMITTED: 1/23/2020



State of New Jersey

DEPARTMENT OF TRANSPORTATION
1035 Parkway Avenue
PO Box 600
Trenton, New Jersey 08625-0600

MPO: **NJTPA**

PROJECT: **Route 206, Doctors Way to Valley Road**

DBNUM: 780B

TRACK #: N-780B-1-M-2020

TYPE OF PROJECT CHANGE: Project Cost increase

ACTION TAKEN: Increases NHPP funding for CON in FFY 20 from \$32M by \$16.750M to \$48.750M.

REASON FOR CHANGE:

Updated CON estimate received from the PM at the 1/8/20 mini-pool sheet meeting.

MPO ACTION REQUIRED: Action requires MPO board approval

FISCAL CONSTRAINT:

Comments: See NJTPA FY 20-29 FC Chart 2

CONFORMITY:

PUBLIC INVOLVEMENT:

PENDING ACTION

NJTPA

Transportation Improvement Program Fiscal Years 2020 - 2023

Routes: 171 **Mileposts:** 0.0-1.3 **DBNUM:** 15363

Name: Route 171, Route 130 to Lincoln Avenue

Initiated from the Pavement Management System, this project will resurface within the project limits.

Counties: Middlesex

Municipalities: North Brunswick Twp

Project Type:

RCIS Category: Road Preservation

Sponsor: NJDOT

Est. Total Project Cost: (Million)

TIP:

CURRENT

FY 2020 - 2023 TIP Cost: (Million) \$3.140

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	CON	NHPP		\$3.140			
				\$3.140			

PENDING

FY 2020 - 2023 TIP Cost: (Million) \$0.000

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	CON	NHPP		\$0.000			

DATE SUBMITTED: 1/23/2020



State of New Jersey

DEPARTMENT OF TRANSPORTATION
1035 Parkway Avenue
PO Box 600
Trenton, New Jersey 08625-0600

MPO: **NJTPA**

PROJECT: **Route 171, Route 130 to Lincoln Avenue**

DBNUM: 15363

TRACK #: N-15363-1-M-2020

TYPE OF PROJECT CHANGE:

ACTION TAKEN: Removes \$3.140M of NHPP CON in FY 21.

REASON FOR CHANGE:

This project had \$2.543M of STATE funds appropriated for CON in the 2018 Capital Program. CON will be authorized using the available STATE funds, therefore the federally programmed CON can be removed.

CON information confirmed with the PM at the 1/8/20 mini-pool sheet meeting.

MPO ACTION REQUIRED: Action requires MPO board approval

FISCAL CONSTRAINT:

Comments: See NJTPA FY 20-29 Chart 2

CONFORMITY:

PUBLIC INVOLVEMENT:

NJTPA

Transportation Improvement Program Fiscal Years 2020 - 2023

Routes: 23 / 80

Mileposts: 23: 5.1-5.7; 80:
52.8-53.75

DBNUM: 9233B6

Name: Route 23, Route 80 and Route 46 Interchange

The purpose of this project is to provide greater mobility, reduce congestion and enhance safety through simplicity of movement through the interchange. The improvements include a new ramp (NW-E) providing a direct connection from Rt 23 Southbound to I-80 Westbound. Three new bridges are anticipated to facilitate the construction of the new ramp. A connection allowing travel from I-80 Eastbound to Rt 23 Northbound and Southbound and Rt 46 Westbound via a new ramp connection. Adjustments to the lane configuration on the I-80 between Rt 23 and the bridge over the Passaic River to improve lane continuity will be made, and modifications to the existing exit and entry ramps on I-80 to improve the merge and diverge with the mainline roadway. A number of retaining walls are anticipated in conjunction with the bridge and ramp construction.

Counties: Passaic Essex

Municipalities: Wayne Twp Fairfield Twp

Project Type: Congestion Relief

RCIS Category: Road Enhancement

Sponsor: NJDOT

Est. Total Project Cost: (Million)

TIP: **CURRENT**

FY 2020 - 2023 TIP Cost: (Million) \$35.800

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	DES	NHPP		\$3.400			
NJTPA	ROW	STATE			\$.500		
NJTPA	UTI	NHPP			\$1.500		
NJTPA	CON	NHPP				\$30.400	
				\$3.400	\$2.000	\$30.400	

PENDING

FY 2020 - 2023 TIP Cost: (Million) \$5.400

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	DES	NHPP		\$3.400			
NJTPA	ROW	STATE			\$.500		
NJTPA	UTI	NHPP			\$1.500		
NJTPA	CON	NHPP					\$30.400
				\$3.400	\$2.000		\$30.400



State of New Jersey

DEPARTMENT OF TRANSPORTATION
1035 Parkway Avenue
PO Box 600
Trenton, New Jersey 08625-0600

MPO: **NJTPA**

PROJECT: **Route 23, Route 80 and Route 46 Interchange**

DBNUM: 9233B6

TRACK #: N-9233B6-1-M-2020

TYPE OF PROJECT CHANGE: Project Phase Slippage

ACTION TAKEN: Delays NHPP funding for CON in the amount of \$30.4M from FFY 23 to FFY 24.

REASON FOR CHANGE:

CON will be delayed out of the first 4-years of the STIP, which will contribute to the overall 4-year fiscal constraint for the cost increases and additions of the projects that are a part of NJTPA FY 20-29 FC Chart 2.

MPO ACTION REQUIRED: Action requires MPO board approval

FISCAL CONSTRAINT:

Comments: See NJTPA FY 20-29 FC Chart 2

CONFORMITY:

PUBLIC INVOLVEMENT:

Attachment PPC-3

Summary of Action

Modifications to the Fiscal Year 2020 - 2023 Transportation Improvement Program to Add Federal Funds to the Route 206, Valley Road to Brown Avenue Project as Requested by the New Jersey Department of Transportation

Action: In order to advance the following project, the New Jersey Department of Transportation (NJDOT) has requested revising the FY 2020 – 2023 TIP to update programmed funding as detailed below.

Background: According to the *TIP Memorandum of Understanding*, when federal funds at a specified threshold are added to a project or program line the request requires action by the NJTPA Project Prioritization Committee, with no further action required. The requested revisions detailed below are within that threshold.

Funding Revisions:

- **Route 206, Valley Road to Brown Avenue, Somerset County DB# 780A**
According to the project status update provided by the Project Manager on January 8, 2020 additional phases of work must be programmed, delaying the start of construction from FY 2021 to FY 2022, and costs have increased. (National Highway Performance Program [NHPP] , \$5 million for Right of Way in Federal Fiscal Year [FFY] 2020; NHPP, \$5.5 million for Utilities in FFY 2021; NHPP, \$18 million for Construction in FFY 2022; NHPP, \$18 million for Construction in FFY 2023; NHPP, \$19 million for Construction in FFY 2024.) Funds are available for these revisions according to the Fiscal Constraint Bank.

Justification for Action: Approval of these revisions to the FY 2020 – 2023 TIP will allow the funds to be secured and the referenced project to advance.

Staff Recommendation: Central Staff recommends approval of these actions.

PENDING ACTION

NJTPA

Transportation Improvement Program Fiscal Years 2020 - 2023

Routes: 206

Mileposts: 67.5-68.6

DBNUM: 780A

Name: Route 206, Valley Road to Brown Avenue

This project, a breakout of "Route 206, Old Somerville Road to Brown Avenue (15N) (Northern Section)", will provide congestion relief, and operational and safety improvements. The project will include widening from two lanes to a four lane dualization, relocation of two existing traffic signals (adding two new jug handles) and replacement of the railroad bridge over Route 206. This project will be bicycle/pedestrian compatible.

Counties: Somerset

Municipalities: Hillsborough Twp

Project Type:

RCIS Category: Road Expansion

Sponsor: NJDOT

Est. Total Project Cost: (Million) \$53.500

TIP:

CURRENT

FY 2020 - 2023 TIP Cost: (Million) \$46.000

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	CON	NHPP		\$15.000	\$15.000	\$16.000	
				\$15.000	\$15.000	\$16.000	

PENDING

FY 2020 - 2023 TIP Cost: (Million) \$46.500

Unconstrained
Information Year

MPO	PHASE	SOURCE	2020	2021	2022	2023	2024-2029
NJTPA	ROW	NHPP	\$5.000				
NJTPA	UTI	NHPP		\$5.500			
NJTPA	CON	NHPP			\$18.000	\$18.000	\$19.000
			\$5.000	\$5.500	\$18.000	\$18.000	\$19.000

DATE SUBMITTED: 1/23/2020



State of New Jersey

DEPARTMENT OF TRANSPORTATION
1035 Parkway Avenue
PO Box 600
Trenton, New Jersey 08625-0600

MPO: **NJTPA**

PROJECT: **Route 206, Valley Road to Brown Avenue**

DBNUM: 780A

TRACK #: N-780A-1-M-2020

TYPE OF PROJECT CHANGE: Project Phase Addition, Project Phase Slippage, Project Cost increase

ACTION TAKEN: Adds NHPP funding for ROW in FFY 20 in the amount of \$5.0M
Adds NHPP funding for UTI in FFY 21 in the amount of \$5.5M.
Delays and increases NHPP funding for CON in the amount \$3.0M from \$15M in FFY 21 to \$18M in FFY 22.
Delays and increases NHPP funding for CON in the amount of \$3.0M from \$15M in FFY 22 to \$18M in FFY 23.
Delays and increases NHPP funding for CON in the amount of \$3.0M from \$16M in FFY 23 to \$19M in FFY 24.

REASON FOR CHANGE:

Updated cost estimates and dates received from the PM at the 1/8/20 mini-pool sheet meeting.

MPO ACTION REQUIRED: Committee

FISCAL CONSTRAINT:

Comments: See NJTPA FY 20-29 FC Chart 2

CONFORMITY:

PUBLIC INVOLVEMENT:

Attachment PPC-4

Summary of Action

Approval of the 2019 Financial Plan Update for the Route 3/Route 46, Valley Road and Notch/Rifle Camp Road Interchange Project

Action: The New Jersey Department of Transportation (NJDOT) is requesting approval of the proposed Financial Plan Update for the Route 3/Route 46, Valley Road and Notch Rifle Camp Road Interchange project. The updated financial plan reflects an increase in total project cost of \$48.743 million to \$308.89 million, mainly due to construction change orders (Contract A) and a design change to include a full bridge replacement for the Route 46 Bridge over Lower Notch Road (Contract B). The NJTPA Project Prioritization Committee reviews and approves annual financial plan updates; no further action is required.

Background:

Financial Plans

Under federal law, recipients of federal financial assistance for projects with a total cost from \$100 million to \$500 million are required to prepare a financial plan that includes the following elements:

- **Project Description:** A detailed description that presents the scope of the project. A graphic depicting the project location is recommended.
- **Cost Estimate:** The total cost and cost-to-complete for major project elements are presented in year of expenditure dollars.
- **Implementation Plan:** The project schedule is presented and the cost-to-complete is presented in annual increments in year of expenditure dollars.
- **Financing and Revenues:** Presented by funding source as annual elements available for project obligations.
- **Cash Flow:** An annualized presentation of cash income and outgo to illustrate how periodic bills will be paid.
- **Risk Identification and Mitigation Factors:** Identification of the likelihood of issues affecting project completion and sufficiency of revenues – such as cost escalation, construction schedules, and dependencies on future legislation – and strategies and actions to address these risks.
- **Phasing Plan:** Identification of fundable improvements that will address the short-term purpose and need of the project in the event there are insufficient financial resources to complete the entire project.
- **Public Private Partnership (P3):** Assessment of appropriateness of a public-private partnership to deliver the project.
- **Annual Update Cycle:** The submission dates and reporting periods should be proposed in the Initial Financial Plan and annual updated plans.

The Route 3/Route 46, Valley Road and Notch/Rifle Camp Road Interchange Initial Financial Plan was approved by the NJTPA Board of Trustees in November 2014 and must be updated annually. The annual update should identify and resolve any cost and funding changes that have occurred since the previous submission. This would include changes in project scope that impact the cost estimate and completion schedule of the project.

Project Description

The Route 3/Route 46, Valley Road and Notch/Rifle Camp Road Interchange project in Passaic County involves the replacement of structurally deficient bridges, construction of new bridges, reconfigurations of ramps, a new service road and traffic signals/roundabouts.

The project has been separated into two contracts:

Contract A (DB# 059A) includes major water mains, Great Notch Road, Clove Road and Notch Road:

From Notch/Rifle Camp Road to just west of Valley Road, the new two-way service road (Great Notch Road) will be constructed along westbound Route 46 to remove local traffic from Route 46. Construction of the two-way service road (Great Notch Road) will include three new signalized intersections, a single-lane urban roundabout and new Route 46 westbound exit and entrance ramps. The superstructure of the Notch/Rifle Camp Road Bridge will be replaced and raised to improve vertical under clearance. A new bridge structure and interchange ramps, along with a second single-lane urban roundabout, will be constructed at Clove Road. Construction began in December 2015 and will continue into winter 2019-2020.

Contract B (DB# 059B) includes Route 46/Route 3 mainline and Valley Road improvements:

From Notch/Rifle Camp Road to just east of the Valley Road intersection, Route 46 will be widened to provide standard shoulders and acceleration/deceleration/auxiliary lanes. Route 46 will also be realigned to improve sight distance as needed. At the intersection of Route 46 and Route 3, a three-lane section will replace the existing two-lane connections. Route 46 will be realigned to meet Route 3 from the right side and complete interchange upgrades will be made. Valley Road will be realigned and a temporary signalized intersection that was constructed under Contract A will be replaced with a multi-lane urban roundabout. From Route 46 to Grove Street, Route 3 will be widened to provide auxiliary lanes and standard shoulders. Construction will begin in spring 2020 and will continue into 2024.

The projected cost of this project is \$308.9 million. The project has expended \$114.0 million or 36.7 percent of the current project estimate.

Justification for Action: The Financial Plan Update has been reviewed for consistency based on the elements listed above. The project is identified in the Long Range Transportation Plan and the FY 2020 – FY 2023 Transportation Improvement Program (TIP). By approving the Financial Plan Update, the project will be in compliance with federal guidelines, allowing NJDOT to request additional authorization for the construction phase of this project.

Staff Recommendation: Central Staff recommends approval of this action.

Route 3/Route 46, Valley Road and Notch/Rifle Camp Road Interchange

Financial Plan Comparison (2018 and 2019)

(\$ millions)

Project Segment	Financial Plan Update 2018	Financial Plan Update 2019	Change 2018-2019	Comments
Engineering Design (All Contracts)	\$ 22.910	\$ 24.929	\$ 2.019	Cost increase due to changes in Contract B Project Scope.
ROW Acquisition (All Contracts)	\$ 21.672	\$ 21.691	\$ 0.019	Cost differential due to updated costs.
Utilities (Preliminary Engineering & Relocations for All Contracts)	\$ 31.030	\$ 24.679	(\$ 6.351)	Cost reduction based on receipt of final Contract B utility owner relocation costs provided by individual utility owners.
Contract A Construction (Including Construction Engineering, Inspection & Change Orders)	\$ 52.873	\$ 68.602	\$15.729	Cost increase due to changes of plan and field changes to address unanticipated site conditions, and additional work items to resolve utility conflicts.
Contract B Construction (Including Construction Engineering, Inspection & Change Orders)	\$131.662	\$168.989	\$37.327	Cost increase due to various project scope changes including an extension of the project limits for the full replacement of the Route 46 Bridge over Lower Notch Road, increased number of retaining walls, changes in the standards for sign support structures, increased construction duration, and the development of more detailed final construction costs estimate.
Total	\$260.147	\$308.890	\$48.743	

Source: Route 3/Route 46, Valley Road and Notch/Rifle Camp Road Interchange, Financial Plan Update, 2019, p. 24.

Financial Plan Annual Update

Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange

*City of Clifton,
Township of Little Falls,
Borough of Woodland Park
Passaic County, New Jersey*

January 2020

Prepared for:



**State of New Jersey
Department of Transportation**
1035 Parkway Avenue, Trenton, New Jersey, 08625



Prepared by:



Stantec

Stantec Consulting Services Inc.
365 West Passaic Street, Suite 175
Rochelle Park, New Jersey 07662

Route 3, Route 46, Valley Road & Notch/Rifle Camp Road Interchange
City of Clifton, Township of Little Falls, Borough of Woodland Park
Passaic County, New Jersey

2019 FINANCIAL PLAN ANNUAL UPDATE

LETTER OF CERTIFICATION

The New Jersey Department of Transportation (NJDOT) has developed a comprehensive annual update to the Route 3, Route 46, Valley Road, and Notch Road Interchange Initial Financial Plan in accordance with the requirements of Section 106, Title 23, and the Financial Plan guidance issued by the Federal Highway Administration. The Plan provides detailed cost estimates to complete the project and estimates of financial resources to be utilized to fully finance the project.

The expenditure data in this Financial Plan Annual Update provides an accurate account of costs incurred to date and includes a realistic estimate of future costs based on engineer's estimates and expected construction cost escalation factors. While the estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables, they represent realistic estimates of available monies to fully fund the project. Additionally, this Plan addresses the MAP-21 Legislation.

We believe the Financial Plan Update provides an accurate basis upon which to schedule and fund the Route 3, Route 46, Valley Road & Notch / Rifle Camp Road Interchange Project. The Department will review and update the Financial Plan on an annual basis in the form of an Annual Update (AU).

To the best of our knowledge and belief, the 2019 Financial Plan AU as submitted herewith, fairly and accurately presents the financial position of the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project, cash flows, and expected conditions for the project's life cycle. The financial forecasts in the Financial Plan AU are based on our judgment of the expected project conditions and our expected course of action. We believe that the assumptions underlying the Financial Plan AU are reasonable and appropriate. Further, we have made available all significant information that we believe is relevant to the Financial Plan AU and, to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

Respectfully Submitted:

Snehal Patel

Assistant Commissioner
Capital Program Management

Date

Lewis Daidone

Assistant Commissioner
Finance and Administration

Date

Route 3, Route 46, Valley Road & Notch / Rifle Camp Road Interchange

Financial Plan Annual Update (2019)

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ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE FINANCIAL PLAN ANNUAL UPDATE (2019)

SUMMARY

The New Jersey Department of Transportation (NJDOT) in coordination with the Federal Highway Administration (FHWA) proposes to construct operational and safety improvements to two Passaic County interchanges that have become chronic bottlenecks due to heavy traffic volumes during peak hours. The interchanges are Route 46 and Notch/Rifle Camp Roads in the Township of Little Falls and Borough of Woodland Park, and the Route 3, Route 46 and Valley Road in the City of Clifton, Passaic County, New Jersey.

This financial plan serves as the annual update to the Route 3, Route 36, Valley Road & Notch / Rifle Camp Road Interchange Project's Initial Financial Plan (IFP), which was approved in January 2015. Contained in this document is the project estimate, expenditure, funding, and schedule data as of June 30, 2019.

As of June 30, 2019, the total estimated cost to complete the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project is \$308.890 million, an increase of \$65.531 million from the \$243.359 million baseline budget presented in the 2014 IFP. Through the end of June 2019, the project has expended \$113.992 million, or 36.90% of the current project estimate. The remaining activities for the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project are associated with project design, right-of-way acquisitions, utility relocations and construction.

When compared to the IFP, the sources of funding remain unchanged; however, the contribution from those sources has changed. As of June 30, 2019, the total funding allocated for the project is \$309.877 million, a decrease of \$3.059 million from last year's \$312.936 million Financial Plan but a \$65.975 million increase over the \$243.902 million baseline funding amount presented in the 2014 IFP. This Financial Plan Annual Update summarizes the projected cash flow requirement and acknowledges that the Project, as currently programmed, has the necessary funding in place to meet those cash flows.

This document is submitted as the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project Financial Plan Annual Update, as agreed upon by the Federal Highway Administration (FHWA). This detailed Financial Plan Annual Update is being submitted by the NJDOT in order to define the methodology, resources, schedule of work completed and the work remaining to complete the project. The following topics are discussed within this Financial Plan:

1. Background:

- Provides a description of the project.
- Details the project history.
- Explains the current project activities.

ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE FINANCIAL PLAN ANNUAL UPDATE (2019)

2. Project Cost Estimate:

- Identifies key cost components.
- Explains the cost estimating methodology and assumptions.
- Identifies funds already expended and funds needed to complete the project.

3. Project Phasing & Implementation Plan:

- Presents the project's implementation schedule.

4. Project Financing & Cash Flow:

- Lists the committed and programmed funding sources to date.
- Discusses the project's remaining anticipated funding requirements.
- Presents the project cash expenditures and available fiscal year funding.

5. Public Private Partnership Issues:

- Discusses risk allocation.
- Discusses project revenue stream potential.
- Discusses Legislative Authorizations.

6. Risk Identification and Mitigation Factors:

- Discusses cost increase risks.
- Discusses revenue sufficiency risks.

7. Annual Updates

- Discusses the purpose and need for annual updates to the Initial Financial Plan
- Provides a summary of cost changes since last year's Financial Plan
- Provides a summary of schedule changes since last year's Financial Plan

The Financial Plan demonstrates and outlines the Department's commitment to sound financial planning and its commitment to providing the resources needed to complete the project as per the approved schedule.

This Project is not a Major Project as defined by the FHWA. However, the MAP-21 legislation requires that projects with total costs between \$100 million and \$500 million submit Financial Plans. The total estimated cost of this project is \$308.890 million including engineering design, right-of-way acquisition, construction, utility relocations, construction engineering, construction inspection, and change order contingencies. Construction activities for Contract A began in December 2015 and are scheduled to be completed by December 2019. Contract B was advertised for construction on September 26, 2019.

ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE FINANCIAL PLAN ANNUAL UPDATE (2019)

1.0 BACKGROUND

The New Jersey Department of Transportation (NJDOT) is undertaking a project to reconstruct the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchanges to correct existing operational and safety problems as these existing problems along the Route 46 and Route 3 corridors have resulted in a high occurrence of accidents and chronic bottlenecks. The project is located along Route 46 between the Lower Notch Road Interchange and Rock Hill Road (Milepost 58.97 to 60.59), and along Route 3 from the Route 46 / Valley Road Interchange to Grove Street (Milepost 0.00 to 0.75) in the City of Clifton, Borough of Woodland Park (formerly West Paterson), and the Township of Little Falls in Passaic County. The following problems exist within the project limits:

- inadequate acceleration and deceleration lanes;
- narrow shoulder widths;
- closely spaced driveways and access points;
- poor sight distance; and,
- reduced lanes on Route 3 westbound.

The Project includes the replacement of old bridges, construction of new bridges, reconfiguration of ramps, a new service road and traffic signals / roundabouts. More specifically, NJDOT proposes to make operational improvements to the interchanges and improve motorist safety by:

- widening Route 46 eastbound to provide an auxiliary lane and acceleration / deceleration lanes from Notch Road to Valley Road;
- widening Route 46 westbound to provide an auxiliary lane between Rock Hill Road and St. Philip Drive;
- constructing a two-way service road (Great Notch Road) on the north side of Route 46 connecting Notch Road to Valley Road to remove local traffic from, and reduce weaving along the Route 46 westbound roadway;
- reconfiguring ramps and replacing structures at the Route 46 / Route 3 / Valley Road Interchanges;
- reconstructing the Notch Road bridge to improve the structure's physical condition and substandard vertical underclearance;
- replacing the Route 46 bridge over Lower Notch Road;
- reconstructing the intersection of Notch Road / Rifle Camp Road to improve traffic operations and sight distance;
- constructing three new signalized intersections;

**ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE
FINANCIAL PLAN ANNUAL UPDATE (2019)**

- reconstructing and realigning the Route 46 Eastbound exit and entrance ramps at Clove Road, along with a new bridge structure to grade separate Clove Road over Route 46;
- utility relocations as needed to accommodate the proposed highway improvements project;
- construction of three new Third River culvert structures and the extension of two existing culverts; and,
- construction of additional miscellaneous structures such as retaining walls, noise barriers, and sign support structures.

The Final Design and Construction of this project is proposed to be carried out in two (2) construction contracts. The Preliminary Design was completed as a single project.

The Major Elements of the two (2) proposed construction projects are as follows:

CONTRACT A	
Mileposts (MP)	Description
Rt. 46 MP 59.25 to MP 60.15	<p>Contract A includes the relocation of major City of Newark and Passaic Valley Water Commission water mains along the north side of Route 46 and the construction of the new Two-Way Service Road (Great Notch Road), the new Clove Road overpass and reconstruction of the existing Notch Road Bridge. These improvements are all intended to provide independent utility and will serve the surrounding communities by improving connectivity between Local and County Roads resulting in the removal of local traffic from the State Highway System. These improvements can also be constructed almost entirely "off-line" resulting in little or no impact to the State Highway.</p> <p>In consideration of geometric continuity between existing and proposed roadways, and the benefits such improvements would have on facilitating mainline construction (i.e. constructability, construction staging, and maintenance/protection of traffic), the Contract A scope of work includes:</p> <ol style="list-style-type: none"> 1. Relocation of approximately 4,600 linear feet of water main ranging in size from 16-inch dia. to 51-inch dia. 2. Replacement of the Notch Road bridge superstructure, including substructure modifications (removal of center pier); 3. Reconstruction of Notch Road and a partial reconstruction of Ramp D (Notch entrance ramp to Route 46 EB);

**ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE
FINANCIAL PLAN ANNUAL UPDATE (2019)**

	<ol style="list-style-type: none"> 4. Construction of the new Notch Road / Lackawanna Avenue / Rifle Camp Road Roundabout and the reconstruction of both Lackawanna Avenue and Rifle Camp Road; 5. Full length construction of the proposed Two-Way Service Road (Valley Road to Notch Road/Lackawanna Avenue/Rifle Camp Road Roundabout), including the reconstruction of existing driveways and two permanent signalized intersections (Clove Road & Route 46 WB Exit Ramp); 6. Construction of the new Route 46 WB entrance ramp from proposed Great Notch Road, along with the widening of Route 46 WB for the required acceleration lane; 7. Construction of the new Clove Road Bridge over Route 46, new Clove Road entrance/exit ramps and the proposed Clove Road Roundabout; 8. Construction of the new Route 46 WB exit ramp to the new Two-Way Service Road with a transition to meet the existing Route 46 WB roadway (alignment & profile); 9. Construction of an interim intersection configuration for the Valley Road / Two-Way Service Road intersection with a traffic signal; 10. Construction of two (2) Third River Culverts, eight (8) retaining walls and the proposed Four Seasons at Great Notch Noise Wall; 11. Construction of associated drainage facilities (inlets, pipes, outfalls, etc.) and including storm water management basins; and, 12. Construction of new underground utilities (minor water mains, gas mains, electric, telephone & cable conduits) by State's Contractor with aerial facilities by individual utility companies.
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CONTRACT B	
Mileposts (MP)	Description
<p>Rt. 46 MP 58.76 to MP 60.58</p> <p>Rt. 3 MP 0.00 to MP 0.83</p>	<p>Contract B involves the completion of all remaining construction items needed to implement the fully scoped improvements for the Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange Project. Contract B scope of work includes the following:</p> <ol style="list-style-type: none"> 1. Widening of Route 46 eastbound for an auxiliary lane and acceleration / deceleration lanes from Notch Road to Valley Road;

**ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE
FINANCIAL PLAN ANNUAL UPDATE (2019)**

	<ol style="list-style-type: none"> 2. Widening of Route 46 westbound for an auxiliary lane between Rock Hill Road and Valley Road; 3. Improvements to the Route 46/Route 3/Valley Road interchange including the reconstruction and reconfiguration of the ramps, a new traffic signal on Valley Road and a new multi-lane urban roundabout at the intersection of the Valley Road, Great Notch Road and the new Route 3 Exit Ramp; 4. Replacement of the Route 46 Bridge over Valley Road to provide auxiliary lanes at the Route 46 and Route 3 connection; 5. Replacement of three bridges at the Route 46 and Route 3 Interchange for the reconfiguration of ramps to meet current standards; 6. Full replacement of the existing Route 46 Bridge over Lower Notch Road; 7. Construction of one (1) new Third River Culvert and the extension of two (2) existing culverts, eighteen (18) retaining walls, four (4) noise walls, and thirteen (13) sign support structures; 8. Construction of all associated drainage facilities (inlets, pipes, outfalls, etc.), including two storm water management basins and subsurface detention systems; and, 9. Construction of new underground utilities (minor water mains, gas mains, electric, telephone, and cable conduits) by State's Contractor with aerial facilities by individual utility companies.
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1.1 Project History

The New Jersey Department of Transportation's (NJDOT) Bureau of Project Scope Development completed a Feasibility Assessment Study in 2001 to determine the transportation problems and needs along Route 46 from the interchange with Notch and Rifle Camp Roads in Little Falls and Woodland Park (formerly West Paterson) to the Route 3 / Valley Road interchange in Clifton, Passaic County. The study resulted in the selection of an Initially Preferred Alternative (IPA) for operational and safety improvements at Route 46 and Route 3 to conform to the current design standards.

Following the recommendations of the Feasibility Assessment Study and IPA, NJDOT proceeded with Final Scope Development (FSD). During the FSD Phase, the IPA was refined and developed into a more detailed scheme, which proposed the widening of Route 46 to provide shoulders and acceleration/deceleration lanes and the construction of a service road along eastbound Route 46 to separate local entrance and exit movements for Notch Road, Clove Road and Valley Road. A three-lane section was proposed to replace the existing two-lane connections at the intersection of Route 46 and Route 3 and Route 46 was to be realigned to converge with Route 3 from the right (not from the left as presently exists). Complete interchange upgrades were also

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proposed for the Route 46 / Route 3 / Valley Road Interchange, as well as the Notch Road / Route 46 Interchange. A new Eastbound Service Road was proposed along Route 46, which shifted the alignment of Route 46 to the north creating significant impacts to utilities, right-of-way and required the relocation of the Third River. The FSD Plan was presented to both local officials and the public at a Public Information Center held on June 19, 2003 at Montclair State University. Final Scope Development was concluded in July 2003 with the development of a detailed Recommended Alternative (FSD Plan) and approval of the Categorical Exclusion Document.

At the conclusion of Final Scope Development, NJDOT concluded that there was compelling public need for the project. The Final Scope Development selected the Recommended Alternative, confirmed there is strong public support, and validated that the project would qualify for federal funding.

In accordance with NJDOT procedures and guidelines for the Federal National Environmental Policy Act (NEPA) process, a Categorical Exclusion (CE) was prepared for the Route 3, Route 46, Valley and Notch/Rifle Camp Road Interchanges Project. The CE was approved in August 2003.

Following the completion of FSD, but before advancing to Preliminary Design, NJDOT recognized the difficulties in securing funding for a project of this magnitude, so in December 2005 NJDOT convened a Value Engineering (VE) Workshop to re-evaluate the improvements proposed under the Recommended Alternative. A team of experts, including representatives from the Department's Value Engineering and Value Management Groups, Bureau of Construction, Civil Engineering, Traffic Signal & Safety Engineering and Stantec, the Consultant Designer, developed alternatives that would reduce the project related impacts and cost without sacrificing the intent of the original project purpose and need. Based on the final recommendations of the team, the VE Alternative Concept Plan was developed. The VE Alternative still proposed a complete reconstruction of the Route 46 / Route 3 / Valley Road Interchange but proposed to maintain existing highway alignments with only minor adjustments. In addition, a new Two-Way Service Road, running in an east-west direction along the north side of Route 46, was proposed to move local traffic off Route 46 and reduce the highway cross section. With the proposed modifications to the FSD Plan, the VE Alternative reduced overall impacts within the project area, including impacts to major utility infrastructure, and the Third River. The VE Alternative was anticipated to reduce right-of-way taking areas by approximately 50% and reduce the total project cost by nearly 40%.

In October 2006, the Mayor and Municipal Council of the City of Clifton passed a Resolution strongly urging the New Jersey Department of Transportation to incorporate improvements to Clove Road as part of the Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange Project. It was the opinion of the Governing Body that an access ramp should be included in the project to provide access to Route 46 Westbound from Clove Road, which would help to remove traffic from the congested and overburdened Valley Road area. In December 2006, the Department made a public commitment to incorporate improvements to Clove Road into the overall project, including a new bridge structure and associated interchange ramps, to

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improve access to/from Route 46 Eastbound and provide access to Route 46 Westbound. Subsequently, the VE Alternative was modified to include this additional improvement.

A Public Officials Briefing was held in December 2006 to present the modified VE Alternative Concept to Public Officials from Clifton, Little Falls, Woodland Park, and Passaic County. Recognizing the overall reduction in project related impacts, the modified VE Alternative Concept received positive support from the Public Officials, and the effort to refine the VE Alternative into a more detailed design was completed. The project then advanced into the next stage of the project development process – Preliminary Design (PD) and all major design activities related to Preliminary Design were completed and approved in June 2008. An Environmental Re-Evaluation was completed for the approved PD in August 2008.

At the conclusion of PD, the NJDOT hosted a Public Officials Briefing and Public Information Center on June 25, 2008 at Montclair State University to present the new design to property owners, business owners, and residents who live and work within the project area.

All major design activities related to the Preliminary Design Phase of all contracts were completed and approved in August 2008.

1.2 Current Project Activities

1.2.1 Construction Phase:

Contract A was advertised for construction on July 16, 2015. Bid proposals were received on September 1, 2015. Contract A was awarded on October 30, 2015. Construction began in December 2015. Substantial Completion was achieved in October 2019. Final Completion is scheduled to occur before the end of 2019.

Contract B was advertised for construction on September 26, 2019. Bid proposals are scheduled to be received on December 19, 2019. Contract B will be awarded in January 2020. Construction activities will begin in March 2020 and will continue into 2024.

1.2.2 Final Design Phase:

The project was divided into two (2) construction contracts. The Final Design of Contract A was completed in June 2015. The Final Design of Contract B was completed in September 2019.

1.2.3 Right-of-Way Acquisition

The NJDOT completed the Right-of-Way (ROW) Map review for Route 3, Section 2 and Route 46, Sections 13 & 14 (covering the entire project area in Little Falls, Woodland Park & Clifton), and the NJDOT ROW Division has acquired ROW for the entire project by prioritizing those parcels needed for Contract "A." ROW acquisition for additional Contract B parcels (Route 46, Section 13) was initiated during Contract B Final Design, and will be completed in 2020.

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A summary of the ROW Parcels required for the project is as follows:

Parcel Description	Rt. 3, Sec. 2 (Contract A+B)	Rt. 46 Sec. 13 (Contract A+B)	Rt. 46, Sec. 13 (Contract B)	Rt. 46, Sec. 14 (Contract A+B)	TOTALS
ROW Parcels (In Fee)	19	51	6	6	82
Easement Parcels	1	14	5	2	22
Business Displacements	0	2	0	0	2
Residential Displacements	0	4	0	0	4

1.2.4 Jurisdictional Maps and Agreements

Jurisdictional Maps and Agreement have been prepared and are currently being reviewed by Passaic County, Clifton, Little Falls, and Woodland Park.

1.2.5 Utility Relocation Agreements

Utility Owner Design Authorization Checklists, Utility Agreement Plans, and Modification Agreements were prepared for and approved by the utility companies for both Contract A and Contract B utility relocations. The following utility companies have facilities within the project limits:

Utility Companies
Public Service Electric & Gas Co. (Electric)
Public Service Electric & Gas Co. (Gas)
Verizon – New Jersey
Verizon – Business (Formerly MCI)
AT&T Corp.
Teleport Communications Group, NY
Zayo Group
Fiber Technologies Network
Lighttower
Sunesys / Crown Castle
Cross River Fiber LLC
Cablevision
Comcast
NJ American Water
Passaic Valley Water Commission
City of Newark, Division of Water & Sewer
City of Clifton (Sewer)
Township of Little Falls (Fire Alarm Wire)
Borough of Woodland Park (Water, Sewer, Fire Alarm Wire)

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1.2.6 Environmental Permits

The following environmental permits have been approved:

Environmental Permits	Date
NJDEP Freshwater Wetlands Individual Permit	7/17/2014
NJDEP Flood Hazard Area Individual Permit	7/17/2014
NJDEP Water Quality Certificate	7/17/2014
NJDEP Treatment Works Approval (TWA) – City of Clifton (Contract A)	2/15/2015
NJDEP Treatment Works Approval (TWA) – Borough of Woodland Park	4/14/2015
NJDEP Treatment Works Approval (TWA) – City of Clifton (Contract B)	10/7/2019

1.2.7 Community Involvement

A comprehensive community involvement program has been implemented to keep the community informed about the project, and when possible, to be part of the decision-making process. As construction of Contract A nears completion, and Contract B begins, the outreach program will become ever more active to alert residents, business owners, and general motorists of construction. A project website has been developed on the NJDOT's "NJCommuter.com" section to notify the public on project issues and status. To date, the following community outreach activities have been held:

Meetings	Date
Public Officials Briefing - Passaic County Engineer's Office	02-Oct-00
Public Information Center - Clifton City Hall	30-Oct-00
Public Officials Briefing and Public Information Center - Montclair State University	19-Jun-03
Public Officials Briefing - Clifton City Hall	14-Dec-06
Public Officials Briefing and Public Information Center - Montclair State University	25-Jun-08
Chamber of Commerce Presentation - North Jersey Regional Chamber of Commerce, Clifton	13-Nov-08
Four Seasons at Great Notch Community Presentation - Woodland Park/Clifton	22-Oct-09
Four Seasons at Great Notch Condominium Association Board of Trustees, Woodland Park/Clifton	10-Jun-10
Noise Wall Public Information Center Meeting - Clifton City Hall	10-Jun-10
Noise Wall Public Information Center - Four Seasons at Great Notch Community, Woodland Park/Clifton	21-Jun-10
Public Officials Briefing - Clifton City Hall	13-Mar-11
Public Officials Briefing - Clifton City Hall	23-Mar-12
Noise Wall Public Information Center - Little Falls Town Hall	28-Feb-13
Noise Wall Public Information Center - Little Falls Town Hall	11-Apr-13
Pre-Construction Public Information Center - Four Seasons at Great Notch Community, Woodland Park/Clifton	21-Oct-15
Pre-Construction Public Information Center – Montclair State University	07-Dec-15
Reforestation Public Information Center – St. Nicholas Greek Church, Clifton	25-Feb-16
In-Construction Public Information Center (Contract A) – Little Falls Town Hall	29-Aug-17
Public Officials Briefing – NJ Legislature District 40 Office, Wayne, NJ	08-June-18
Public Officials Briefing – Passaic County Administration Building	27-Feb-19

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2.0 COST ESTIMATE

2.1 Project Cost Estimate

As of June 30, 2019, the cost to complete the Route 3, Route 46, Valley and Notch/Rifle Camp Road Interchange Project is estimated at \$308.890 million, expressed in year of expenditure (2019) dollars. The total cost includes all design, right-of-way acquisitions and demolitions, utility relocations by utility companies, construction, construction engineering, construction inspection, and change order contingencies for the two (2) construction contracts. The major project costs are summarized below and include both incurred and future costs.

ORIGINAL CONTRACT – UPC #950189	Cost (in millions)
Engineering Design (including Consultant & In-House costs for FSD, PD, PE & FD)	\$ 5.287
Right-of-Way (ROW)	\$ 21.691
Utilities (Preliminary Engineering & Utility Relocations during Construction)	\$ 0.789
ORIGINAL CONTRACT SUBTOTAL	\$ 27.767

CONTRACT A – UPC #123010	Cost (in millions)
Engineering Design (including Consultant & In-House costs for FSD, PD, PE & FD)	\$ 12.593
Right-of-Way (ROW)	\$ 0.000
Utilities (Preliminary Engineering & Utility Relocations during Construction)	\$ 16.233
Construction (including construction engineering, inspection, and change orders)	\$ 68.602
CONTRACT A SUBTOTAL	\$ 97.428

CONTRACT B – UPC #123020	Cost (in millions)
Engineering Design (including Consultant & In-House costs for FSD, PD, PE & FD)	\$ 7.049
Right-of-Way (ROW)	\$ 0.000
Utilities (Preliminary Engineering & Utility Relocations during Construction)	\$ 7.657
Construction (including construction engineering, inspection, and change orders)	\$ 168.989
CONTRACT B SUBTOTAL	\$ 183.695

TOTAL PROJECT	Cost (in millions)
Engineering Design (including Consultant & In-House costs for FSD, PD, PE & FD)	\$ 24.929
Right-of-Way (ROW)	\$ 21.691
Utilities (Preliminary Engineering & Utility Relocations during Construction)	\$ 24.679
Construction (including construction engineering, inspection, and change orders)	\$ 237.591
TOTAL ESTIMATED PROJECT COST	\$ 308.890

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2.2 Methodology

The construction costs were estimated using historical bid data based estimating and other methods outlined in the NJDOT "Construction Cost Estimating Guide." For major precast/prefabricated items, prices were obtained from fabricators. The construction cost estimate for Contract B was prepared using the NJDOT's AASHTOWare Project Estimation Software based on current NJDOT Bid Price Reports. The ROW acquisition costs were developed by the NJDOT ROW Division.

The construction cost estimate is representative of today's economic times and recent price trends. Inflationary pressures have been low over the last several years but cannot be ruled out for the remainder of the year 2019 and beyond. Various agencies in the region are advancing billions of dollars in construction over the new several years when the Route 3, Route 46, Valley and Notch/Rifle Camp Road Interchange contracts are anticipated for construction. Some of these projects include the Route 7 / Wittpenn Bridge, I-295/I-76/Rt. 42 Direct Connection, the Pulaski Skyway, the Route 72 Manahawkin Bay Bridges, the I-280/Route 21 Interchange Project, and the Route 80 WB Pavement Project.

2.3 Cost Containment Strategies

As mentioned in the Project History section, the NJDOT convened a Value Engineering Workshop in December 2005 to re-evaluate the improvements proposed under the Recommended Alternative to reduce impacts and cost. The Value Engineering team made the following recommendations to reduce impacts and cost:

- Eliminate full interchange and bridge reconstruction at Notch/Rifle Camp Road. Maintain existing interchange ramps and rehabilitate the existing structure instead (proposed superstructure replacement only).
- Eliminate the Route 46 EB Service Road and replace with a proposed Auxiliary Lane for access to/from existing businesses along the State Highway.
- Construct a new parallel service road (Great Notch Road) along the westbound side of Route 46 to remove local traffic from the State Highway and reduce the width of the proposed Route 46 roadway section.

The NJDOT will consider a number of cost containment strategies that may include the following:

- Management cost control strategies.
- Guaranteed maximum price or completion date warranties.
- A thorough review of project risk based upon documented assumptions.
- Inclusion of resource and cost loaded scheduling techniques.

Documented practices for forecasting and detailed budget monitoring, combined with reasonable contingencies will be utilized in an effort to keep the project costs on target.

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3.0 PROJECT PHASING & IMPLEMENTATION PLAN

An analysis of the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project was completed to determine appropriate and feasible ways of phasing the proposed improvements into smaller, independent construction contracts. In doing so, consideration was given to utility relocation needs/costs, prioritization of improvements and geometric continuity. This breakout was intended to encourage competitive bidding by allowing for more manageable construction contracts. The phasing of proposed improvements is as follows:

1. Contract A – Major Water Mains, Two-Way Service Road, Clove Road & Notch Road:
Contract A includes the relocation of major City of Newark and Passaic Valley Water Commission water mains along the north side of Route 46 and the construction of the new Two-Way Service Road, the new Clove Road overpass and reconstruction of the existing Notch Road Bridge. These improvements provide independent utility and serve the surrounding communities by improving connectivity between Local and County Roads resulting in the removal of local traffic from the State Highway System. These improvements can be constructed almost entirely “off-line” resulting in little impact to the State Highway.
2. Contract B – Route 46 / Route 3 Mainline & Valley Road Improvements:
Contract B involves the completion of all remaining construction items needed to implement the fully scoped improvements for the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project.

Overall Project Maps, and graphics illustrating Contract A and Contract B improvements are included in Appendix A.

3.1 Project Implementation

The preliminary Project Implementation Schedules for the two (2) Contracts that comprise this project are based on minimizing construction related impacts to motorists using Routes 3 & 46. Contracts A & B are intended to be let sequentially to avoid the potential for overlapping work zones and conflicts between each contract’s Maintenance & Protection of Traffic (MPT) Schemes. In addition, improvements constructed in Contract A will remove traffic from the State Highway, which will reduce traffic volumes, and inherently reduce traffic-related construction impacts during Contract “B.” The following techniques either have, or may be employed to ensure the overall project schedule is achieved:

- Advanced acquisition of certain full acquisition ROW parcels, where residential and business displacements required relocation efforts on the part of the NJDOT.
- Securing Environmental Permits from the New Jersey Department of Environmental Protection for the entire project rather than individual permits for each separate phase.
- Coordinating extensively with the NJDOT’s Subject Matter Experts through the design process to get major decisions approved. Design decisions are documented in the Project’s Design Communication Report.
- Electronic Shop Drawing reviews during construction.

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- Development of this Financial Plan.
- Development of resource-loaded schedule for each construction contract.

3.1.1 Project Implementation Schedule Breakdown

Construction schedules for the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Improvements Project Contracts were developed using Primavera Software, and the guidance and directive contained in the NJDOT's Construction Scheduling Manual. The schedules were developed based on the restrictions and traffic demands in the area and the commitments to the community and environmental concerns. The schedules consider nighttime work, winter work, multiple work crews, and timeframes for utility company advanced notice and utility relocations. The project construction is estimated to be completed in 8 years and 6 months (all Contracts). With the near-term completion of Contract A construction, only the Construction Schedule for Contract B is provided in Appendix B.

Contract A:

Contract A includes major work items such as the relocation of major City of Newark and Passaic Valley Water Commission water mains along the north side of Route 46, construction of the new Two-Way Service Road (Great Notch Road), construction of the new Clove Road overpass and interchange ramps, and reconstruction of the existing Notch Road Bridge. Contract A will be constructed in three (3) stages, and has an estimated duration of 4 years, 1 month (or 49 months).

- **Stage 1 (Stages 1A & 1B)** – Replace existing City of Newark and Passaic Valley Water Commission water mains on the north side of Route 4. Construct proposed Great Notch Road, and the new Route 46 westbound entrance/exit ramps and associated acceleration/deceleration lanes using allowable lane closure hours (maintain all lanes of traffic during daytime working hours). Reconstruct the east half of the existing Notch / Rifle Camp Road Bridge superstructure, and the Route 46 north side of the eastbound entrance ramp. Construct new interchange ramps at Clove Road, relocate the existing NJ Transit detention basin, and construct the Clove Road Bridge north abutment.
- **Stage 2** – Construct the west half of the existing Notch / Rifle Camp Road Bridge superstructure and the south side of the Route 46 eastbound entrance ramp therefrom. Remove existing Route 46 westbound entrance/exit ramps and open proposed ramps to traffic. Construct the Notch / Rifle Camp Road roundabout. Remove existing Clove Road and open new ramps to traffic. Complete construction of proposed Clove Road and the new Clove Road Bridge. Complete construction of the new signalized intersection on Valley Road.
- **Stage 3** – Construct concrete islands on Notch / Rifle Camp Road, and complete construction Rifle Camp Road. Complete construction at the Clove Road roundabout and remove the existing ramp at Valley Road. Open the relocated Clove Road and the new Clove Road Bridge. Activate all new traffic signals.

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Contract B:

Contract B includes major work items such as the widening and realignment of Route 3, the widening and realignment of Route 46, and a complete reconstruction of the Route 3 / Route 46 / Valley Road Interchange including alignments, profiles, and four (4) new bridge structures. Contract B will be constructed in six (6) stages, and has an estimated duration of 4 years, 4 months (or 52 months).

- **Stage 1** – Construct Route 3 eastbound widening, noise barrier, and retaining wall from behind construction barrier. Construct proposed Ramp H and the Ramp I bridge. Construct Valley Road widening at Great Notch Road. Remove existing Route 46 median barrier and construct temporary pavement for Stage 2 traffic shift. Construct Route 46 westbound widening east of the interchange
- **Stage 2** – Construct Route 46 eastbound widening from Lower Notch Road to Route 3 from behind construction barrier (existing exit to Oak Hill Road permanently closed). Construct west side of new Route 46 Bridge over Lower Notch Road and the new Route 46 Bridge over Valley Road. Reconstruct the existing Route 46 eastbound ramp to Valley Road (Ramp G) and construct proposed Route 46 eastbound flyover ramp and bridge structure. Reconstruct the existing Route 3 median barrier from Route 46 to Grove Street. Reconstruct the existing Route 46 median from St. Philip Drive to Rock Hill Road. Activate temporary traffic signal on Valley Road and continue to reconstruct the Valley Road / Great Notch Road Intersection for the future multi-lane roundabout.
- **Stage 3** – Shift Route 46 eastbound traffic to the widened section and construct the proposed median. Continue construction of the new Route 46 Bridge over Valley Road, and northern portion of the Route 46 Bridge over Lower Notch Road. Open the new Route 46 eastbound flyover bridge and the new ramp to Valley Road (Ramp G), and shift Route 3 eastbound traffic to the temporary connector roadway. Construct the proposed eastbound connector roadway. Continue to reconstruct the existing Route 3 median barrier from Route 46 to Grove Street as well as the Valley Road / Great Notch Road Intersection.
- **Stage 4** – Construct the center portion of the Route 46 Bridge over Lower Notch Road. Shift Route 46 traffic south and construct the proposed Route 46 westbound widening from behind barrier. Construct the new Route 3 westbound ramp to Valley Road (Ramp K) and the new Route 46 westbound bridge over Ramp K. Construct north side of the new Route 46 Bridge over Valley Road and the remaining portions of the Valley Road Roundabout. Reconstruct the westbound side of Route 3 from behind barrier between Grove Street and proposed Ramp K.
- **Stage 5** – Complete construction of the proposed Route 46 median barrier from east of Lower Notch Road to Route 3. Construct proposed Valley Road southbound widening between Route 46 and Robin Hood Road. Demolish the

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existing Route 46 eastbund bridge over Ramp K and complete construction of the Route 46 median barrier to St. Philip Drive.

- **Stage 6** – Install final overhead guide sign panels. Open all roads/ramps/lanes to traffic. Complete final paving, striping, ground-mounted sign installation and landscaping.

The following table outlines the anticipated schedule for completing the project.

ANTICIPATED PROJECT SCHEDULE					
Contract	Duration*	Advertisement	Award	Construction Start	Final Completion
Contract A	49 months	July 2015	October 2015	December 2015	December 2019
Contract B	52 months	September 2019	January 2020	March 2020	May 2024

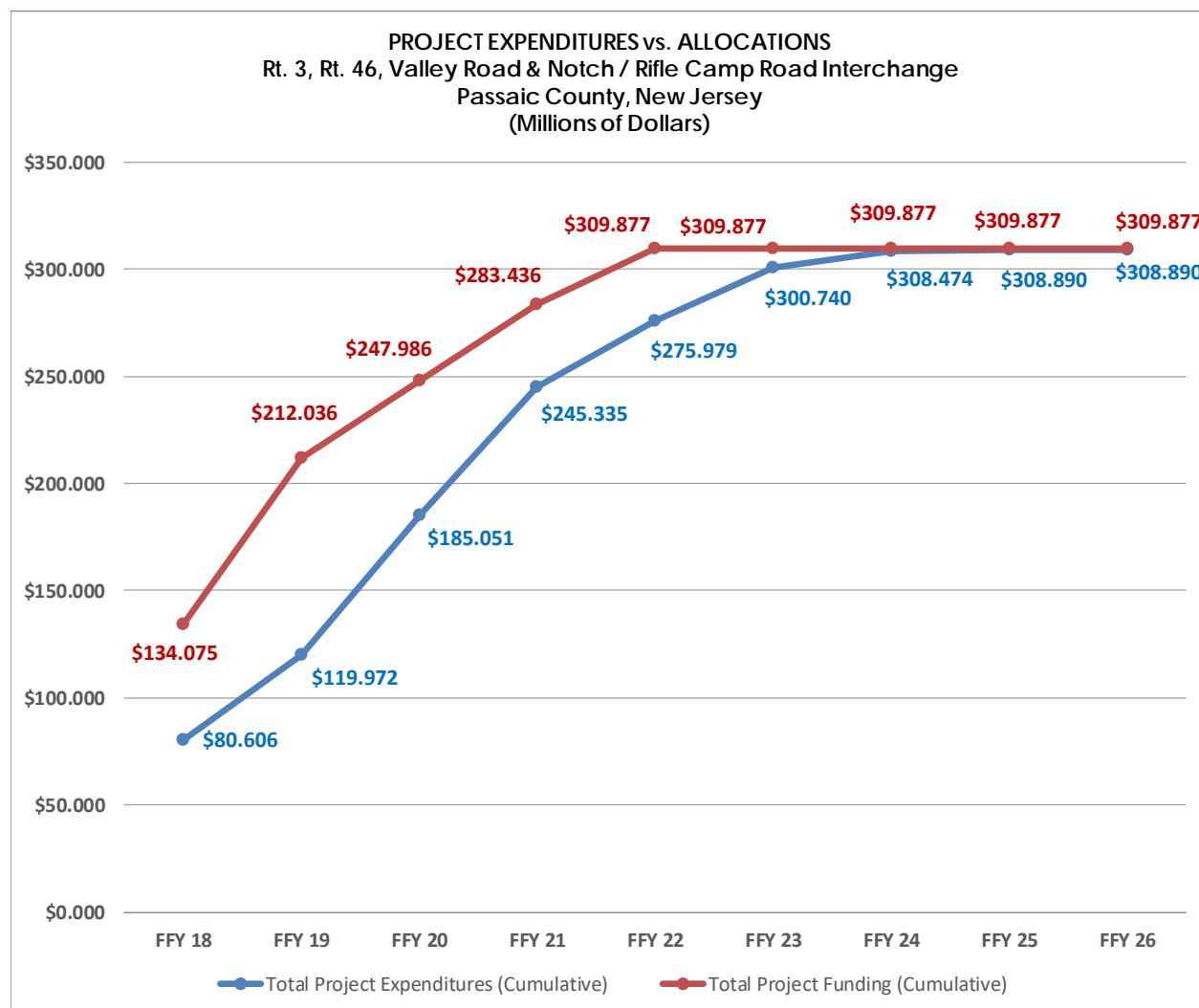
* From Construction Start to Final Completion

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4.0 PROJECT FINANCING AND CASH FLOW

4.1 Overall Financial Plan

The Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange Project will be federally funded primarily with National Highway Performance Program and Bridge Apportionment funds. The projected cash expenditure and available Federal Fiscal Year (FY) funding are summarized in the following "Project Expenditures vs. Allocations Graph" and Cash Flow Table.



The Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange Project (design and construction) has an estimated cumulative surplus budget of \$0.987 million as shown in the above chart and following Cash Flow Table.

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CASH FLOW TABLE

PROJECT EXPENDITURES - DESIGN & CONSTRUCTION																	
DESCRIPTION	PHASE	NJDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	FFY 18 FINAL	FFY 19 CURRENT			FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	FFY 26	TOTAL EXPENDITURES
							YTD (June 30, 2019)	Estimated to Year End (Sept. 30, 2019)	Total								
Original Contract UPC # 950189	PD	1606538	STATE		PA17	\$5,286,993.17	\$0.00	\$0.00	\$0.00								\$5,286,993.17
	PE	1607509	STATE		PA17	\$3.02	\$0.00	\$0.00	\$0.00								\$3.02
	ROW	1607511	STATE		PA17	\$365,226.90	\$0.00	\$0.00	\$0.00								\$365,226.90
	ROW	1607530	STATE		PA17	\$20,725,858.86	\$257,528.85	\$145,699.15	\$403,228.00	\$197,252.26							\$21,326,339.12
	PUR	1607518	FED	33D0A00S739	PA20	\$334,540.18	\$0.00	\$0.00	\$0.00								\$334,540.18
				L240A00S739		\$50,000.00	\$0.00	\$0.00	\$0.00							\$50,000.00	
	PUR	1607533	STATE		FD-217, B.O.	\$177,979.15	\$20,748.37	\$0.00	\$20,748.37	\$205,393.84							\$404,121.36
ORIGINAL CONTRACT SUBTOTALS						\$26,940,601.28	\$278,277.22	\$145,699.15	\$423,976.37	\$402,646.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,767,223.75
Contract A UPC # 123010	PE	1606514	FED	33D00054174	PA20	\$30,000.00	\$0.00	\$0.00	\$0.00								\$30,000.00
				HY100054174		\$1,642,507.00	\$0.00	\$0.00	\$0.00							\$1,642,507.00	
				L0500054174		\$336,411.69	\$0.00	\$0.00	\$0.00							\$336,411.69	
				L05E0054174		\$1,034,929.80	\$0.00	\$0.00	\$0.00							\$1,034,929.80	
				LY100054174		\$6,663,893.92	\$0.00	\$0.00	\$0.00							\$6,663,893.92	
				Q7600054174		\$2,692,686.25	-\$2,472.00	\$0.00	-\$2,472.00							\$2,690,214.25	
			STATE	33D00054174		\$253.39	\$0.00	\$0.00	\$0.00								\$253.39
				L05E0054174		\$160,540.15	\$0.00	\$0.00	\$0.00								\$160,540.15
				LY100054174		\$9,811.64	\$0.00	\$0.00	\$0.00								\$9,811.64
				Q7600054174		\$24,802.24	\$0.00	\$0.00	\$0.00								\$24,802.24
	CON	1606545	FED	LY100054210	PA20	\$147,279.62	\$59,128.07	\$2,244.12	\$61,372.19	\$103,280.45							\$311,932.26
				M0E10054210		\$26,286,313.64	\$21,558,064.73	\$3,496,809.21	\$25,054,873.94	\$2,085,058.32						\$53,426,245.90	
				Z0010054210		\$1,443,060.30	\$4,539,718.55	\$156,466.16	\$4,696,184.71	\$2,849,439.26						\$8,988,684.27	
			STATE	LY100054210		\$90.78	\$252.06	\$7.05	\$259.11							\$349.89	
				M0E10054210		\$1,153,708.53	\$334,451.38	\$13,059.95	\$347,511.33	\$137,258.96						\$1,638,478.82	
				Z0010054210		\$543,942.86	\$2,867,364.93	\$784,838.32	\$3,652,203.25	\$39,973.78						\$4,236,119.89	
	PUR	1606546	FED	M0E10054211	PA20	\$7,442,017.17	\$1,513,654.36	\$941,904.05	\$2,455,558.41	\$6,334,938.42						\$16,232,514.00	
				M0020054211		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						\$0.00	
CONTRACT A SUBTOTALS						\$49,612,248.98	\$30,870,162.08	\$5,395,328.86	\$36,265,490.94	\$11,549,949.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,427,689.11	
Contract B UPC # 123020	FD	1606547	FED	Z0010003329	PA20	\$4,012,527.84	\$2,203,322.11	\$428,262.15	\$2,631,584.26	\$357,714.43						\$7,001,826.53	
			STATE	Z0010003329		\$2,128.06	\$12,502.08	\$1,024.87	\$13,526.95	\$31,503.99						\$47,159.00	
	CON	1606550	FED			\$0.00	\$0.00	\$0.00	\$0.00	\$51,577,760.59	\$58,199,153.25	\$28,559,448.88	\$22,676,551.58	\$7,560,795.00	\$415,375.13	\$168,989,084.44	
	PUR	1606552	STATE			\$0.00	\$0.00	\$0.00	\$0.00	\$1,042,211.71	\$2,084,423.42	\$2,084,423.42	\$2,084,423.42	\$173,701.96		\$7,469,183.93	
	PUE	1606548	STATE		Business Object FD-217	\$38,448.22	\$22,264.18	\$9,036.04	\$31,300.22	\$117,751.56						\$187,500.00	
	CONTRACT B SUBTOTALS						\$4,053,104.12	\$2,238,088.37	\$438,323.06	\$2,676,411.43	\$53,126,942.28	\$60,283,576.67	\$30,643,872.30	\$24,760,975.00	\$7,734,496.96	\$415,375.13	\$0.00
TOTAL PROJECT EXPENDITURES (Annual)						\$80,605,954.38	\$33,386,527.67	\$5,979,351.07	\$39,365,878.74	\$65,079,537.57	\$60,283,576.67	\$30,643,872.30	\$24,760,975.00	\$7,734,496.96	\$415,375.13	\$0.00	\$308,889,666.76
TOTAL PROJECT EXPENDITURES (Cumulative)						\$80,605,954.38	\$113,992,482.05		\$119,971,833.12	\$185,051,370.69	\$245,334,947.37	\$275,978,819.67	\$300,739,794.67	\$308,474,291.63	\$308,889,666.76	\$308,889,666.76	\$308,889,666.76

ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE
FINANCIAL PLAN ANNUAL UPDATE (2019)

CASH FLOW TABLE (Cont.)

AVAILABLE FY FUNDING ALLOCATIONS																
DESCRIPTION	PHASE	NJDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	FFY 19 CURRENT			FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	FFY 26	TOTAL ALLOCATIONS
						Authorized as of June 30, 2019	Additional Authorized to Sept. 30, 2019	Total Authorized at Year End (September 30, 2019)								
Original Contract UPC # 950189	PD	1606538	STATE		PA17	\$5,286,993.17		\$5,286,993.17								\$5,286,993.17
	PE	1607509	STATE		PA17	\$3.02		\$3.02								\$3.02
	ROW	1607511	STATE		PA17	\$365,226.90		\$365,226.90								\$365,226.90
	ROW	1607530	STATE		PA17	\$22,990,942.98		\$22,990,942.98								\$22,990,942.98
	PUR	1607518	FED	33D0A00S739	PA20	\$334,540.18		\$334,540.18								\$334,540.18
				L240A00S739		\$50,000.00		\$50,000.00						\$50,000.00		
	PUR	1607533	STATE		FD-217 B.O.	\$383,372.99		\$383,372.99								\$383,372.99
ORIGINAL CONTRACT SUBTOTALS						\$29,411,079.24	\$0.00	\$29,411,079.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,411,079.24
Contract A UPC # 123010	PE	1606514	FED	33D00054174	PA17, PA20	\$30,000.00		\$30,000.00								\$30,000.00
				HY100054174		\$1,642,507.00		\$1,642,507.00							\$1,642,507.00	
				L0500054174		\$336,411.69		\$336,411.69						\$336,411.69		
				L05E0054174		\$1,034,929.80		\$1,034,929.80					\$1,034,929.80			
				LY100054174		\$6,663,893.92		\$6,663,893.92					\$6,663,893.92			
				Q7600054174		\$2,690,214.25		\$2,690,214.25					\$2,690,214.25			
			STATE	33D00054174		\$253.39		\$253.39					\$253.39			
				L05E0054174		\$160,540.15		\$160,540.15					\$160,540.15			
				LY100054174		\$9,811.64		\$9,811.64					\$9,811.64			
				Q7600054174		\$24,802.24		\$24,802.24					\$24,802.24			
	CON	1606545	FED	LY100054210	PA20	\$332,641.08		\$332,641.08								\$332,641.08
				M0E10054210		\$53,426,245.90		\$53,426,245.90						\$53,426,245.90		
				Z0010054210		\$8,989,034.16		\$8,989,034.16					\$8,989,034.16			
			STATE	LY100054210		\$0.00		\$0.00						\$0.00		
				M0E10054210		\$1,430,210.00		\$1,430,210.00					\$1,430,210.00			
				Z0010054210		\$4,236,119.89		\$4,236,119.89					\$4,236,119.89			
	PUR	1606546	FED	M0E10054211	PA20	\$16,232,514.00		\$16,232,514.00							\$16,232,514.00	
				M0020054211		\$187,560.00		\$187,560.00						\$187,560.00		
CONTRACT A SUBTOTALS						\$97,427,689.11	\$0.00	\$97,427,689.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,427,689.11
Contract B UPC # 123020	FD	1606547	FED	Z0010003329	PA17, PA20	\$7,001,826.53		\$7,001,826.53								\$7,001,826.53
			STATE	Z0010003329		\$47,159.00		\$47,159.00						\$47,159.00		
	CON	1605550	FED			\$0.00	\$70,459,000.00	\$70,459,000.00	\$35,950,000.00	\$35,450,000.00	\$26,441,000.00					\$168,300,000.00
	PUR	1610552	STATE			\$0.00	\$7,501,482.41	\$7,501,482.41								\$7,501,482.41
	PUE	1606548	STATE		PA17	\$187,500.00		\$187,500.00								\$187,500.00
CONTRACT B SUBTOTALS						\$7,236,485.53	\$77,960,482.41	\$85,196,967.94	\$35,950,000.00	\$35,450,000.00	\$26,441,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$183,037,967.94
TOTAL PROJECT FUNDING (Annual)						\$134,075,253.88	\$77,960,482.41	\$212,035,736.29	\$35,950,000.00	\$35,450,000.00	\$26,441,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$309,876,736.29
TOTAL PROJECT FUNDING (Cumulative)						\$134,075,253.88		\$212,035,736.29	\$247,985,736.29	\$283,435,736.29	\$309,876,736.29	\$309,876,736.29	\$309,876,736.29	\$309,876,736.29	\$309,876,736.29	\$309,876,736.29
CUMULATIVE BUDGET SURPLUS (DEFICIT)						\$14,103,420.76		\$92,063,903.17	\$62,934,365.60	\$38,100,788.92	\$33,897,916.62	\$9,136,941.62	\$1,402,444.66	\$987,069.53	\$987,069.53	\$987,069.53

5.0 PUBLIC PRIVATE PARTNERSHIP ISSUES

As part of the MAP-21 Guidance, the following Public Private Partnership (P3) issues are addressed in the Initial Financial Plan:

1. Documentation of the results of the risk allocation analysis, if completed during the cost estimate review conducted prior to issuance of the NEPA Decision Document. To support the preparation of this assessment, beginning after October 1, 2012, all cost estimate reviews that are conducted prior to the issuance of the NEPA Decision Document will include a component to analyze the allocation of risk with respect to delivering the project through a public-private partnership procurement.
2. A decision of whether a public-private partnership or a traditional procurement could more effectively leverage the revenue stream for the project, including the available debt capacity and cost of capital for both the public and private sector.
3. A discussion of the current State-level legislative authorizations for public-private partnerships, including legislative authorizations regarding public sector debt capacity.
4. A concluding statement regarding the appropriateness of a public-private partnership to deliver the project.

5.1 Risk Allocation Analysis

The MAP-21 Guidance provided by the FHWA requests a risk allocation analysis as it pertains to delivering the project through a public-private partnership, but a risk allocation analysis was not performed when the cost estimate review was completed prior to the issuance of the NEPA Decision Document. The Categorical Exclusion was approved on August 15, 2003. As such this provision is not applicable for the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project.

5.2 Effectiveness to Leverage the Revenue Stream for the Project

The current project does not result in a revenue stream for the State of New Jersey. The current roadways are not tolled, and the project does not introduce any new development potential to support potential revenue streams such as tax increment financing (TIF). It is not feasible to consider tolling for either Route 3 or Route 46.

Based on the total project cost, the needed investment versus potential return does not appear lucrative for a public-private partnership.

5.3 State-level Legislative Authorizations

NJ State legislation is currently limited on public-private partnerships. While some state agencies do allow for this type of procurement, the NJDOT does not currently have the ability to utilize this type of funding mechanism. Although legislation was recently passed, the NJDOT would require executive approvals to advance this type of funding.

**ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE
FINANCIAL PLAN ANNUAL UPDATE (2019)**

5.4 Concluding Statement

The Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project is not a viable candidate for a public-private partnership delivery model as the project is significantly advanced, and there is no revenue stream to be leveraged.

6.0 RISK IDENTIFICATION AND MITIGATION FACTORS

This section of the Financial Plan addresses the funding plan for this project, identifies risks that could impact this plan, and outlines mitigation measures to provide reasonable assurance that funds will be available to deliver the project through construction.

The Financial Plan risks fall under two broad categories: Cost Increase Risks and Revenue Sufficiency Risks. Understanding that the Financial Plan is focused on both the final design and construction phases, Cost Increase Risks for final design include such things as scope modifications to address local stakeholder input (e.g. addition of the grade separated Clove Road Interchange prior to the start of Preliminary Design), and for Construction, Cost Increase Risks may include fuel price increases, material cost increases, and unforeseen site conditions. Revenue Sufficiency Risks in the context of this project include such things as funding availability and funding delays.

6.1 Cost Increase Risks

- Risk that costs will exceed program level funding for construction:
 - Utility relocation costs for this project are estimated at \$24.679 million, which constitutes approximately 10.39% of the estimated project construction cost (refer to the Project Cost Estimate on page 11 and Cash Flow Table on pages 18 & 19).
 - Construction costs for this project are estimated at \$237.591 million, which represents approximately 76.92% of the total estimated project cost. As such, if contractor bids are high, there will be a significant impact to the needed funding (refer to the Project Cost Estimate on page 11 and Cash Flow Table on pages 18 & 19).
- Risk that unknown site conditions will increase project cost:
 - Construction projects of any size always have an inherent risk of encountering unknown site conditions. However, the NJDOT has worked to minimize this risk by advancing an extensive subsurface investigation and data collection program.
 - Subsurface Soils Exploration Program – Over 200 borings and test pits were taken for this project. The geological and geotechnical data was analyzed and used in the design for proposed bridges, culverts, retaining walls, noise barriers, and sign support structures. The borings were also used in determining ground water elevations. The completed subsurface explorations will help minimize the risk that an unknown subsurface soil condition will be encountered during construction.
 - Subsurface Utility Engineering Test Pits – Subsurface explorations located underground utilities in over 50 locations. The subsurface utility information was used to assist with the mapping of existing facilities, and to assess potential conflicts between the proposed project, and existing underground utilities to remain. The completed subsurface utility

ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE FINANCIAL PLAN ANNUAL UPDATE (2019)

investigation should help minimize the risk that an unknown utility will be encountered during construction.

- Risk of schedule delays.
 - Although all construction projects come with the risk of both excusable and non-excusable delays, the NJDOT has worked to minimize this risk by providing language in the Project Specifications identifying contractual completion dates and monetary damages for schedule overrun.

6.2 Revenue Sufficiency Risks

- The revised FY2018-2027 and current FY2020-2029 NJ Statewide Transportation Improvement Program (STIP) funds the project through FY 2022.
- Risk that the State Transportation Trust Fund (TTF) will not be available to fund any State portion of the project:
 - The New Jersey Transportation Trust Fund Authority (TTFA) is an independent agency of New Jersey state government whose stated mission is to finance the cost of “planning, acquisition, engineering, construction, reconstruction, repair, resurfacing, and rehabilitation of the state’s transportation system.” As the Authority’s financing capacity is constrained by the relationship between its long-term revenue stream and its debt service schedule, there is a risk that State funds may not be available to fund any State portion of this Contract.
 - This risk was minimized with the signing of new TTF legislation on October 14, 2016, which funds fiscal years 2017 – 2024.
- Risk that the Fixing America’s Surface Transportation (FAST) Act, signed into law on December 4, 2015 to fund transportation projects over fiscal years 2016 through 2020, will not be reauthorized limiting the ability of Congress to find additional revenue sources to support the Highway Trust Fund.

**ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE
FINANCIAL PLAN ANNUAL UPDATE (2019)**

7.0 ANNUAL UPDATES

Annual updates to the Initial Financial Plan provide information on cost and revenue trends, summaries of cost reductions and increases, and financial adjustments necessary to ensure completion of the project. Annual Updates present actual cost to date and cost to complete estimates shown in year of expenditure dollars using the same project elements used in the Initial Financial Plan and previous Annual Update estimates. Any significant change in the total project cost or revenue since the last estimate will be clearly presented and the major reasons for these significant changes will be provided. Annual Financial Plan Updates of the Route 3, Route 46, Valley Road, and Notch/Rifle Camp Road Interchange Project will utilize the FHWA's fiscal year (October 1 – September 30). This timing will facilitate the development of compatible subsequent capital program updates. Annual Updates to the Initial Financial Plan will be submitted to the FHWA within 90 days following the end of the NJDOT's Fiscal Year (June 30th). Therefore, the sixth Annual Update will be submitted on or before October 1, 2020.

7.1 Summary of Cost Changes and Trends Since Last Year's Financial Plan

Current vs. Previous Financial Plan Update Estimates (in millions)					
Project Segment	Initial Financial Plan (2014)	Previous Annual Update (2018)	Current Annual Update (2019)	Change from Previous Annual Update	Comments & Reasons for Cost Changes Since Last Year's Financial Plan Update
Engineering Design (All Contracts)	\$ 21.661	\$ 22.910	\$ 24.929	+ \$ 2.019	Cost increase due to changes in Contract B Project Scope.
ROW Acquisition (All Contracts)	\$ 14.809	\$ 21.672	\$ 21.691	+ \$ 0.019	
Utilities (Preliminary Engineering & Relocations for All Contracts)	\$ 30.344	\$ 31.030	\$ 24.679	- \$ 6.351	Cost reduction based on receipt of final Contract B utility owner relocation costs provided by individual utility owners.
Contract A Construction (Incl. Construction Engineering, Inspection & Change Orders)	\$ 48.959	\$ 52.873	\$ 68.602	+ \$ 15.729	Cost increase due to Changes of Plan and field changes to address unanticipated site conditions, and additional work items to resolve utility conflicts.
Contract B Construction (Incl. Construction Engineering, Inspection & Change Orders)	\$ 127.586	\$ 131.662	\$ 168.989	+ \$ 37.327	Cost increase due to various project scope changes including an extension of the project limits for the full replacement of the Route 46 Bridge over Lower Notch Road, increased number of retaining walls, changes in the standards for sign support structures, and increased construction duration, and the development of more detailed final construction cost estimate.
PROJECT TOTALS	\$ 243.359	\$ 260.147	\$ 308.890	+ \$ 48.743	

ROUTE 3, ROUTE 46, VALLEY ROAD, AND NOTCH / RIFLE CAMP ROAD INTERCHANGE FINANCIAL PLAN ANNUAL UPDATE (2019)

7.2 Summary of Schedule Changes Since Last Year's Financial Plan

The following changes have caused the completion date for the project and funded phases to change since last year's Financial Plan:

- Change Orders issued during Contract A Construction have required in an Extension of Time. Contract A Construction Completion has been extended from July 2019 to December 2019.
- The change in Contract B project scope to include the full replacement of the existing Route 46 Bridge over Lower Notch Road delayed the anticipated Construction Advertisement date from May 2019 to September 2019.

7.3 Schedule Trends Since Last Year's Financial Plan

There have been no identified trends that have impacted the project schedule since the last year's Financial Plan.

FY 2018-2027 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

New Jersey Department of Transportation

Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange, Contract B

DBNUM: 059B **UPC:** 123020 **MILEPOST(S):** 0.00 - 0.50
COUNTY: Passaic
MUNICIPALITY: Little Falls Twp Clifton City

From Notch/Rifle Camp Road to just east of the Valley Road Intersection, Route 46 will be widened to provide standard shoulders and acceleration/deceleration/auxiliary lanes, and will be realigned as needed to improve sight distance. At the intersection of Route 46 and Route 3, a three-lane section will replace the existing two-lane connections. Route 46 will be realigned to converge with Route 3 from the right side (not the left as presently exists). Complete interchange upgrades will be made. From Route 46 to Grove Street, Route 3 will be widened to provide auxiliary lanes and standard shoulders. The project will require the removal of three bridge structures and replacing them with four new bridge structures. Each of these structures will be designed to provide a minimum vertical underclearance of 15 feet 6 inches. Culverts will be impacted as well. Bridge Structures to be replaced: 1606172, 1607151, 160150 (to be replaced with two structures) Culverts to be replaced: 1606173 Culverts to be extended: 1606168.

ASSET MANAGEMENT CATEGORY: Congestion Relief - Highway Operational Improvements

SPONSOR: NJDOT

AIR QUALITY CODE (NON-EXEMPT / EXEMPT): 2025M (Non-Exempt)

FINANCIAL PLAN REQUIREMENT: This project is part of a project with a total cost between \$100 and \$500 million programmed to receive federal financial assistance and an annual financial management plan is required to be prepared.

STRUCTURE NO.: Various

LEGISLATIVE DISTRICT: 40 34

			<i>Amounts in Millions of Dollars</i>									
MPO	PHASE	FUND	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
NJTPA	CON	DEMO-R		\$0.244								
NJTPA	CON	NHPP		\$0.000	\$35.950	\$35.450	\$26.441					
NJTPA	CON	STBGP-NJ		\$70.215								

FY 2020-2029 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

New Jersey Department of Transportation

Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange, Contract B

DBNUM: 059B **UPC:** 123020 **MILEPOST(S):** 0.00 - 0.50
COUNTY: Passaic
MUNICIPALITY: Little Falls Twp Clifton City

From Notch/Rifle Camp Road to just east of the Valley Road Intersection, Route 46 will be widened to provide standard shoulders and acceleration/deceleration/auxiliary lanes, and will be realigned as needed to improve sight distance. At the intersection of Route 46 and Route 3, a three-lane section will replace the existing two-lane connections. Route 46 will be realigned to converge with Route 3 from the right side (not the left as presently exists). Complete interchange upgrades will be made. From Route 46 to Grove Street, Route 3 will be widened to provide auxiliary lanes and standard shoulders. The project will require the removal of three bridge structures and replacing them with four new bridge structures. Each of these structures will be designed to provide a minimum vertical underclearance of 15 feet 6 inches. Culverts will be impacted as well. Bridge Structures to be replaced: 1606172, 1607151, 160150 (to be replaced with two structures); Culverts to be replaced: 1606173; Culverts to be extended: 1606168.

ASSET MANAGEMENT CATEGORY: Congestion Relief - Highway Operational Improvements

SPONSOR: NJDOT

AIR QUALITY CODE (NON-EXEMPT / EXEMPT): 2030M (Non-Exempt)

FINANCIAL PLAN REQUIREMENT: This project is part of a project with a total cost between \$100 and \$500 million programmed to receive federal financial assistance and an annual financial management plan is required to be prepared.

STRUCTURE NO.: Various

LEGISLATIVE DISTRICT: 40 34

			<i>Amounts in Millions of Dollars</i>									
MPO	PHASE	FUND	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
NJTPA	CON	NHPP	\$35.950	\$35.450	\$26.441							

Summary of Action

Approval of the 2019 Financial Plan Update for the Route 72, Manahawkin Bay Bridges Project

Action: The New Jersey Department of Transportation (NJDOT) is requesting approval of the proposed Financial Plan Update for the Route 72, Manahawkin Bay Bridges project. The updated financial plan reflects an increase in total project cost of \$21.290 million to \$340.913 million, mainly due to increased utility relocations and updated cost estimates. Funding changes will be reflected in a revision to the FY 2020-2023 Transportation Improvement Program (TIP). The NJTPA Project Prioritization Committee reviews and approves annual financial plan updates; no further action is required.

Background:

Financial Plans

Under federal law, recipients of federal financial assistance for projects with a total cost from \$100 million to \$500 million are required to prepare a financial plan that includes the following elements:

- **Project Description:** A detailed description that presents the scope of the project. A graphic depicting the project location is recommended.
- **Cost Estimate:** The total cost and cost-to-complete for major project elements are presented in year of expenditure dollars.
- **Implementation Plan:** The project schedule is presented and the cost-to-complete is presented in annual increments in year of expenditure dollars.
- **Financing and Revenues:** Presented by funding source as annual elements available for project obligations.
- **Cash Flow:** An annualized presentation of cash income and outgo to illustrate how periodic bills will be paid.
- **Risk Identification and Mitigation Factors:** Identification of the likelihood of issues affecting project completion and sufficiency of revenues – such as cost escalation, construction schedules, and dependencies on future legislation – and strategies and actions to address these risks.
- **Phasing Plan:** Identification of fundable improvements that will address the short-term purpose and need of the project in the event there are insufficient financial resources to complete the entire project.
- **Public Private Partnership (P3):** Assessment of appropriateness of a public-private partnership to deliver the project.
- **Annual Update Cycle:** The submission dates and reporting periods should be proposed in the Initial Financial Plan and annual updated plans.

The Route 72 Manahawkin Bay Bridges Initial Financial Plan was approved by the NJTPA Board of Trustees in September 2012 and must be updated annually. The annual update should identify and resolve any cost and funding changes that have occurred since the previous submission. This would include changes in project scope that impact the cost estimate and completion schedule of the project.

Project Description

The Route 72, Manahawkin Bay Bridges project in Ocean County involves construction of a new parallel structure adjacent to the existing Manahawkin Bay Bridge, rehabilitation of the existing Bay Bridge, and rehabilitation of three other trestle bridges over Hilliards Thorofare and the East and West Thorofares, located in Stafford Township and Ship Bottom Borough in Ocean County. The project also includes the Route 72 and Marsha Drive intersection improvements.

The project has been separated into seven contracts: *Contract 1A* is the Route 72 and Marsha Drive intersection improvements and *Contract 1B* includes operational and safety improvements in Ship Bottom Borough on Long Beach Island (DB# 11385); *Contract 2* (DB# 00357A) is construction of a new parallel structure over Manahawkin Bay to the south of the existing bridge structure, with a 55-foot vertical clearance over the navigation channel and a curb-to-curb width of 49 feet; *Contract 3* (DB# 00357B) is rehabilitation of two structures over West Thorofare and East Thorofare - the bridge decks will be reconfigured to provide two 11-foot lanes, a 1-foot inside shoulder and a 6-foot outside shoulder that can accommodate bicycles in each direction, and a 6-foot sidewalk in the westbound direction; *Contract 4* (DB# 00357C) is rehabilitation of the bridge over Manahawkin Bay and the bridge over Hilliards Thorofare; *Contract 5* (DB# 00357D) is the construction of various environmental mitigation components to comply with environmental permit conditions; and *Contract 5A* (DB# 00357D1) is the implementation of Submerged Aquatic Vegetation (SAV) within the Barnegat Bay.

The projected cost of this project is \$340.9 million. The project has expended \$260.5 million or 76.4% of the current project estimate. Construction began in May 2013 and will continue into 2024.

Justification for Action: The Financial Plan Update has been reviewed for consistency based on the elements listed above. The project is identified in the Long Range Transportation Plan and the FY 2020 – FY 2023 TIP.

By approving the Financial Plan Update, the project will be in compliance with federal guidelines, allowing NJDOT to request additional federal authorization for the construction phase of this project.

Staff Recommendation: Central Staff recommends approval of this action.

Route 72, Manahawkin Bay Bridges
Financial Plan Comparison (2018 and 2019)
(\$ millions)

Project Segment	Financial Plan Update (2018)	Financial Plan Update (2019)	Change (2018-2019)	Comments
Contract 1A & 1B	\$ 45.873	\$ 56.866	\$ 12.993	Updated costs due to increased utility relocations and associated costs. All unit costs and quantities were updated for all items to reflect Final Design.
Contract 2	\$116.579	\$116.626	\$ 0.047	Construction completed. Updated costs from NJDOT FMIS data.
Contract 3	\$ 39.971	\$ 42.118	\$ 2.147	Construction completed. Some costs still to be paid to the contractor, consultant, and utility companies. Updated costs from NJDOT FMIS data. Change orders were also added for landscape retaining walls and slope erosion measures.
Contract 4	\$ 87.499	\$ 91.259	\$ 3.760	Updated costs from NJDOT FMIS data. Change orders were also added including basin regrading and drainage improvements.
Contract 5	\$ 13.204	\$ 15.054	\$ 1.850	Construction completed. Updated costs from NJDOT FMIS data.
Contract 5A	\$ 3.839	\$ 3.337	(\$ 0.502)	Updated costs from NJDOT FMIS data.
ROW Acquisition	\$ 1.301	\$ 3.301	\$ 2.000	Updated costs from Contract 1A & 1B ROW acquisition.
Preliminary Engineering Design Cost NJDOT In-House	\$ 10.634	\$ 10.616	(\$ 0.018)	Updated costs from NJDOT FMIS data.
Preliminary Engineering Utility Cost for all Contracts	\$ 0.723	\$ 1.736	\$ 1.013	Updated costs from NJDOT FMIS data and increased utility relocation design costs.
Total	\$319.623	\$340.913	\$21.290	

Source: Route 72 Manahawkin Bay Bridges, Financial Plan Update, 2019, p.14.

**2019 FINANCIAL PLAN ANNUAL UPDATE
FOR
Route 72 Manahawkin Bay Bridges
Township of Stafford & Borough of Ship Bottom
Ocean County, NJ**



**Submitted by:
New Jersey Department of Transportation**

**Prepared by:
WSP USA, Inc.
2000 Lenox Drive
Lawrenceville, New Jersey 08648**

Submitted: December 6, 2019

Revised: January 17, 2020

Route 72 Manahawkin Bay Bridges
Township of Stafford & Borough of Ship Bottom
Ocean County, New Jersey

**2019 FINANCIAL PLAN ANNUAL UPDATE
LETTER OF CERTIFICATION**

The New Jersey Department of Transportation (NJDOT) has developed a comprehensive annual update to the Route 72 Manahawkin Bay Bridges Initial Financial Plan in accordance with the requirements of Section 106, Title 23, and the Financial Plan guidance issued by the Federal Highway Administration. The plan provides detailed cost estimates to complete the project and the estimates of financial resources to be utilized to fully finance the project.

The expenditure data in this Financial Plan Annual Update provides an accurate accounting of costs incurred to date and includes a realistic estimate of future costs based on engineer's estimates and expected construction cost escalation factors. While the estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables, they represent realistic estimates of available monies to fully fund the project. Additionally, this annual update addresses the MAP-21 Legislation.

We believe the Financial Plan provides an accurate basis upon which to schedule and fund the Route 72 Manahawkin Bay Bridges Project. The Department will review and update the Financial Plan on an annual basis in the form of an Annual Update (AU).

To the best of our knowledge and belief, the 2019 Financial Plan as submitted herewith, fairly and accurately presents the financial position of the Route 72 Manahawkin Bay Bridges Project, cash flows, and expected conditions for the project's life cycle. The financial forecasts in the Financial Plan Update are based on our judgment of the expected project conditions and our expected course of action. We believe that the assumptions underlying the Financial Plan Update are reasonable and appropriate. Further, we have made available all significant information that we believe is relevant to the Financial Plan Update and, to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

Respectfully Submitted:

Snehal Patel PE, PMP
State Transportation Engineer
Capital Program Management

Date

Lewis Daidone
Assistant Commissioner
Finance and Administration

Date

Route 72 Manahawkin Bay Bridges

Annual Financial Plan Update

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Appendix A – Overall Project Map

Appendix B – Cost Loaded Construction Schedules

Appendix C – Cash Flow-Funding Distribution Documentation (*refer to the Cash Flow Table on p. 23*)

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SUMMARY

The New Jersey Department of Transportation (NJDOT) in coordination with the Federal Highway Administration (FHWA) has proposed to construct a new parallel structure adjacent to the existing Manahawkin Bay Bridge, rehabilitate the existing Bay Bridge as well as three trestle bridges over Hilliards Thorofare and the East and West Thorofares, located in Stafford Township and Ship Bottom Borough, Ocean County, New Jersey.

This Financial Plan serves as the Annual Update to the Route 72 Manahawkin Bay Bridges Initial Financial Plan (IFP), which was approved in September 2012 and updated in October 2013, September 2014, January 2016, October 2017, October 2018 and October 2019. Contained in this document are project estimate, expenditure, funding, and schedule data as of October 2, 2019.

As of October 2, 2019, the total cost to complete the Route 72 Manahawkin Bay Bridges project is \$340.913 million, an increase of \$21.290 million from the \$319.623 million baseline budget presented in the project's 2018 Financial Plan Update.

Up to October 2, 2019, the project has expended \$260.472 million, or 76.4% of the current project estimate.

When compared to the Financial Plan Update 2018, the sources of funding and contribution from those sources have remained relatively unchanged. This financial plan update summarizes the projected cash flow requirement and acknowledges that the State will have the necessary funding in place to meet those cash flows.

This document is submitted as the Route 72 Manahawkin Bay Bridges Project Financial Plan Annual Update, as agreed upon by the Federal Highway Administration. This detailed Financial Plan Annual Update is being submitted by the NJDOT in order to define the methodology, resources, schedule of work completed and the work remaining to complete the project. The following topics are discussed within this financial plan:

1. Background

- Provides a description of the project.
- Details the project's history.
- Explains the current project activities.

2. Cost Estimate

- Identifies the key cost components.
- Explains the cost estimating methodology and assumptions.
- Identifies funds already expended and funds needed to complete the project.

3. Implementation Plan

- Presents the project's implementation schedule.

4. Project Financing

- Lists the committed and programmed project funding sources to date.
- Discusses the project's remaining anticipated funding requirements.
- Presents the projected cash expenditures and available fiscal year funding.

5. Public Private Partnership Issues

6. Phasing Plan

7. Risk Identification and Mitigation Factors

- Discusses the cost increase risks.
- Discusses revenue sufficiency risks.

8. Annual Updates

- Provides cost and revenue history and apparent trends.
- Summarizes significant cost reduction and increases.

This Financial Plan demonstrates and outlines the Department's commitment to the sound financial planning and its commitment to providing the resources needed to complete the Project as per the approved schedule.

This project is not a Major Project as defined by the Federal Highway Administration (FHWA). However, the Map 21 legislation requires that projects with total costs between \$100 million - \$500 million submit financial plans. The total estimated cost of this project is \$340.913 million. Construction activities began on May 3, 2013.

SECTION 1 - BACKGROUND

The Route 72 Manahawkin Bay Bridges project, between Mileposts 25.38 and 28.74, involves construction of a new parallel structure adjacent to the existing Manahawkin Bay Bridge, rehabilitation of the existing Bay Bridge, and rehabilitation of three trestle bridges over Hilliards Thorofare and the East and West Thorofares, located in Stafford Township and Ship Bottom Borough, Ocean County, New Jersey. All four existing bridges were structurally deficient, and/or functionally obsolete. All the bridges exhibited severe deterioration on various structural elements. The existing Manahawkin Bay Bridge rehabilitation is now completed with each bridge carrying two lanes of traffic.

Route 72 is the only vehicular route from Long Beach Island (LBI) to the mainland. Route 72 is the sole emergency evacuation route off of LBI and thus is a vital lifeline to the island. During the summer months, the estimated population of LBI is approximately 100,000.

LBI is an important summer tourist destination for the region and thus is vital to the economic viability of the region. All LBI economic activity and EMS services depend upon the availability and efficient functioning of Route 72. The viability of most of the businesses on LBI depends upon the business carried out during the summer months. Four lanes of traffic must be maintained during the LBI summer tourist season along Route 72 during construction. No traffic detour is possible. No alternative means of transportation, such as a ferry service, is available.

The bridges did not provide accommodations for bicycles and pedestrians. Even though there were no accommodations on the bridges, some pedestrians and bicycles did cross the bridges on a regular basis using substandard safety walks, raising safety concerns.

The project includes the Route 72 and Marsha Drive Intersection improvements. Marsha Drive is a local road connecting Bay Avenue to Route 72 and to a housing development (Beach Haven West) on the south side of Route 72. During the summer months, Marsha Drive southbound traffic turning left onto Route 72 towards LBI queues to Bay Avenue, causing long traffic delays. As a part of this project, the State will make improvements to this intersection to reduce these delays.

The project also includes the Route 72 Ship Bottom Drainage and Intersection Improvements. Operational deficiencies, drainage issues and capacity constraints exist along 8th Street and 9th Street (Route 72). During the summer months, traffic flow on and off the island is very poor, resulting in excessive delays and queues. The purpose of the Ship Bottom portion of the project is to improve the drainage system along 8th and 9th Streets, maintain access/egress for LBI during heavy rainfall and high tide events, and maintain and improve traffic flow along Route 72 as well as the north-south traffic on Long Beach Boulevard and Central Avenue within the Borough of Ship Bottom.

The final design and construction of this project was advanced as six construction contracts. The preliminary design was completed as a single project.

The major elements of the six proposed construction projects are tabulated as follows:

Route 72 Manahawkin Bay Bridges Project*Financial Plan Update 2019*

Contract	Route 72 Mileposts (MP)	Description
Contract 1A & 1B	MP 25.38 to MP 26.08 MP 28.24 to MP 28.74	<p>The Route 72 and Marsha Drive intersection improvements will be constructed.</p> <p>This contract will include operational and safety improvements in Ship Bottom Borough, on Long Beach Island. Approximately 3000 feet of Route 72 (locally known as 8th and 9th Streets) and three cross roads (Barnegat Avenue, Central Avenue and Long Beach Boulevard) will be widened. Two-way traffic will be restored along Central Avenue and Long Beach Boulevard. Five traffic signals will be reconstructed. A new traffic signal will be installed at the intersection of 8th Street and Long Beach Boulevard. In order to reduce frequent flooding along Route 72 and the intersections, a new storm drainage system will be installed.</p>
Contract 2	MP 26.46 to MP 27.75	Construction of a new parallel structure over Manahawkin Bay to the south of the existing bridge structure, with a 55-foot vertical clearance over the navigation channel and a curb to curb width of 49 feet. The width will accommodate two 11-foot lanes in each direction with a divider during rehabilitation of the existing bridge in Contract 4. The final configuration will have two 12-foot lanes, a 12-foot left shoulder, and a 13-foot right shoulder all oriented in the eastbound direction. This contract has been completed.
Contract 3	MP 27.75 to MP 28.24	<p>Rehabilitation of two structures over West Thorofare and East Thorofare. Work includes pier cap rehabilitation, bearing retrofits, piling protection system, repairing and resurfacing the bridge decks, removal of existing parapets and safety walks and replacement with new parapets including a separate barrier for pedestrians, and deck joint replacement. The bridge decks will be reconfigured to provide two 11 ft. lanes, a 1 ft. inside shoulder and a 6 ft. outside shoulder that can accommodate bicycles in each direction, and a 6 ft. sidewalk in the westbound direction. The project will also include the widening/reconstruction of bridge approach roadways, new drainage systems, highway lighting, piling protection system, fender system repairs and bulkhead improvements.</p> <p>Scour countermeasures at Hilliards, West and East Thorofare bridge abutments have been installed as part of this contract to protect against storm surges in the bay. This contract has been completed.</p>

Route 72 Manahawkin Bay Bridges Project*Financial Plan Update 2019*

Contract	Route 72 Mileposts (MP)	Description
Contract 4	MP 26.08 to MP 27.50	<p>Rehabilitation of two structures, the existing bridge over Manahawkin Bay and the bridge over Hilliards Thorofare. Major Rehabilitation on the existing bridge over Manahawkin Bay required the shifting of all traffic to the new parallel structure during the rehabilitation work. The entire existing superstructure will be removed and replaced, while retaining and rehabilitating the existing substructure. The new superstructure will have a 55-foot vertical clearance over the navigation channel that has been determined in consultation with the U.S. Coast Guard. The superstructure width will be reduced from existing since it will primarily be used for one-way westbound traffic. The width will accommodate two 12-foot lanes, a 12-foot left shoulder, a 13-foot right shoulder and a 6-foot sidewalk in the westbound direction in the final configuration separated by a crash worthy parapet.</p> <p>Rehabilitation of the existing Route 72 Bridge over Hilliards Thorofare includes pier cap rehabilitation, bearing retrofits, repairing and resurfacing of the bridge deck, removal of existing parapets and safety walks and replacement with new parapets, and deck joint replacement. The bridge deck will be reconfigured to provide two 11 ft. lanes, a 1 ft. inside shoulder and a 6 ft. outside shoulder that can accommodate bicycles in each direction, and a 6 ft. sidewalk in the westbound direction separated from traffic by a concrete barrier. The project also includes the widening/reconstruction of bridge approach roadways, retaining walls, new storm drainage systems, public access improvements (parking, sidewalks etc.), highway lighting and bulkhead repairs. This contract has been completed.</p>
Contract 5	MP 26.92 to MP 27.88	<p>Contract 5 will include the construction of various environmental mitigations needed to comply with the environmental permit conditions. The project includes the following components: (1) wetland creation on Cedar Bonnet Island, within the existing NJDOT right-of-way, on the south side of Route 72 for Section 404 impacts; (2) mitigation for freshwater wetlands, intertidal/subtidal shallows and riparian impacts on Edwin Forsythe National Wildlife Refuge on Cedar Bonnet Island; (3) mitigation for impacts to submerged aquatic vegetation in Manahawkin Bay; (4) retrofit of two existing stormwater basins within the Barnegat Bay watershed to comply with the NJDEP Stormwater Rules – both basins are located along Route 70 in Brick Township; and (5) public access improvements (parking, sidewalks, pavilions, pedestrian trails etc). This contract has been completed.</p>

Contract	Route 72 Mileposts (MP)	Description
Contract 5A	MP 26.46 to MP 27.75	Contract 5A will include the implementation of Submerged Aquatic Vegetation (SAV) mitigation requirements in the Manahawkin Bay to comply with the environmental permit conditions. The overall goal of this work is to offset losses to SAV through a combination of adaptive management and research to establish and enhance SAV beds within the Barnegat Bay. The research element will include monitoring of existing SAV beds to measure recovery post Sandy and the adaptive management component will include establishing and/or enhancing up to 10 acres of new or existing beds to facilitate recovery efforts and promote resiliency.

1.1 Project History

The current plan to improve the Route 72 corridor between Stafford Township and the Borough of Ship Bottom began with the 1991 filing of a Regional Transportation Problem Statement. The problem statement documented flooding and traffic issues on Long Beach Island within the Borough of Ship Bottom and was the official trigger to improve this vital link. By 1994, all six of the municipal governments located on Long Beach Island formally endorsed the problem statement.

Also in 1991, NJDOT performed extensive repairs on the Causeway bridges. By 1998, NJDOT inspectors found that fatigue cracks on the Bay Bridge had worsened and the pier caps on the trestle bridges had deteriorated. These structural problems added to the need to improve the corridor, which was defined as extending from Marsha Drive in Stafford Township to Long Beach Boulevard in the Borough of Ship Bottom. In 2001, NJDOT completed the Concept Development phase, which identified improvement concepts to be studied in more detail. These concepts included traffic improvements on Long Beach Island, capacity improvements to the Marsha Drive intersection, and major rehabilitation or replacement of the bridges along the Causeway.

In June 2005, the NJDOT convened a Smart Scoping Team (SST) to perform a Value Engineering review for this project to minimize the scope of work in order to stay within the available funding. The NJDOT-SST made the following recommendations to reduce the scope of the project:

- Existing Manahawkin Bay Bridge to be rehabilitated – steel girders and substructure to remain, replace deck and floor beams
- Construct a new parallel bridge across Manahawkin Bay
- Three (3) trestle bridges to be *rehabilitated*, not replaced
- Reduce the scope of the Route 72 bridge approach roadway reconstruction

The NJDOT-Capital Program Management (CPM) unit performed extensive community outreach during the year 2006 to investigate the feasibility of revising the Initially Preferred Alternative (IPA) to implement the NJDOT-SST recommendations. The proposed IPA revisions were presented to the local officials, the regulatory agencies and NJDOT's Subject Matter Experts (SME's). Additional engineering investigations were performed to address the stakeholder

comments. The local officials and regulatory agencies supported the revised IPA, with the recommendation that shoulders, needed for emergency use, be included in the design for the trestle bridge structures. In 2007, NJDOT completed the Feasibility Assessment process.

At the end of Feasibility Assessment, NJDOT concluded that there was a compelling public need for the project. The Feasibility Assessment selected the Initially Preferred Alternative, confirmed there is strong public support, and validated that the project would qualify for federal funding. The project advanced into the next stage of the project development process—Preliminary Design and Environmental Assessment (EA).

In accordance with NJDOT procedures and guidelines for the Federal National Environmental Policy Act (NEPA) process, an EA was prepared for the Route 72 Manahawkin Bay Bridges Project. The draft EA documentation was provided for review and comment to the public and regulatory agencies in May 2010. The EA was subsequently revised due to comments received and a substantial design change to replace the girders and revise potential constructability methods of the existing Bay Bridge. In 2010, an inspection to determine the necessary repairs to the existing bridge determined that the pack rust on the Bay Bridge was extensive and getting worse which would force NJDOT to replace the girders during any major rehabilitation effort. Additionally, NJDOT reached out to the US Coast Guard for their approval to reduce the clearance over the Intracoastal Waterway to 55 feet. A lower bridge would reduce both cost and permanent environmental impacts. These changes to the project scope were included in a Revised EA, submitted in October 2010.

In the aftermath of Superstorm Sandy, the NJDOT is taking additional steps to reinforce the existing bridges over Hilliards, West and East Thorofares as part of the Route 72 Manahawkin Bay Bridges project, to safeguard the travelling public in the event of a future storm event. To accomplish this, additional scour protection is proposed at each Thorofare bridge. Also proposed along the corridor are additional improvements to accommodate public access to the waterfront including minor revisions to the parking facilities on Bonnet Island and replacement of a deteriorated bulkhead on the northeast corner of the existing Manahawkin Bay Bridge. These public access improvements are part of the project's overall design to improve bicycle and pedestrian access along the corridor and to make better facilities available to the public for recreational activities. In 2016, NJDOT prepared an Addendum to the Environmental Assessment (EA), *Thorofare Bridges Scour Countermeasures and Public Waterfront Access Improvements* describing the proposed activities.

The EA was approved by the FHWA. The FHWA approved the Finding of No Significant Impact (FONSI) in August 2011. Environmental permits were approved by February 2013.

In 2016 the pump station was eliminated from the project. The NJDOT performed an alternatives analysis for Long Beach Island (LBI) in 2006. The Preliminary Preferred Alternative selected in 2006 included the installation of a pump station and a new storm drainage system to reduce frequent flooding along Route 72 and the intersections. Since 2011 there have been new developments in the LBI area. The NJDOT performed the resurfacing of various roadways in the

project area after Superstorm Sandy. Also, the NJDOT cleaned some of the existing storm drainage systems, which are functioning better and the roadway flooding incidents have been reduced. The LBI area is not listed in the NJDOT Management Systems Database of New Jersey's flooding problem areas. Some of the local officials were questioning if the proposed pump station is a viable solution at this location. The NJDOT reviewed the scope of improvements proposed in LBI as well as several storm-drainage improvements alternatives. The NJDOT concluded the roadway improvements including widening can be adequately drained with storm-drainage improvements and without installing a pump station. The LBI municipalities of Barnegat Light, Beach Haven, Harvey Cedars, Ship Bottom and Surf City have all issued a resolution of support for the NJDOT conclusion in 2016.

All major design activities related to the Preliminary Design Phase for all contracts have been completed and were approved in August of 2011. Final Design Activities for Contracts 2, 3, 4 & 5 have been completed and approved. Final Design plans and documents for Contract 1 were submitted to NJDOT on November 15, 2019.

1.2 Current Project Activities

The project has been divided into six construction contracts. The contract status is listed below.

Construction Phase:

Contract 2 construction began in May 2013. Contract 2 Construction was completed in July 2016.

Contract 3 has been under construction since February 7th, 2015. Project Construction was 100% complete up to October 2, 2019. Scour countermeasures at Hilliard's, West and East Thorofares have been constructed as part of Contract 3.

Contract 4 was awarded in November of 2016. Construction is 99% complete up to October 2, 2019.

Contract 5 has been under construction since February 25th, 2015. Project Construction was 100% complete up to October 3, 2017.

Contract 5A SAV mitigation began in March of 2017. The approximate completion is scheduled for December 2023.

Final Design Phase:

Contracts 1A and 1 B Final Design submission was made on November 15, 2019.

Right of Way Acquisition: The NJDOT has completed the ROW map review for Section 7 (Contracts 1A, 2, 3 & 4 - covering the project area in Stafford Township) and the NJDOT ROW Division is has acquired ROW for this Section. The ROW acquisition for ROW Section 8 (Contract 1B - covering the projects area in Ship Bottom Borough) began in August 2019 and is anticipated to be completed in Spring 2020. A summary of ROW parcels required for this project is as follows:

Parcel Description	ROW Section 7 (Contracts 1A, 2, 3, & 4)	ROW Section 8 (Contract 1B)
Riparian Parcels	17	0
ROW Parcels (In-Fee)	3	2
Easement Parcels	0	30
Business Displacements	0	0
Residential Displacements	0	0

Jurisdictional Maps and Agreements: The Jurisdictional Maps and Agreements have been submitted and are being executed by the NJDOT.

Utility Relocation Agreements: Utility Checklists have been approved by the utility companies for the project area, with the exception of the Ship Bottom project area. Utility Agreement Plans and Modification Agreements have been processed for Contracts 2, 3 and 4. No utility relocations are required for Contracts 5 and 5A. Utility Agreement plans and modification agreements for Contract 1 are being processed with the Final Design submission. The following utility companies have facilities within the project limits:

Utility Company
Atlantic City Electric (Electric Distribution)
PECO Holdings (A.C.Electric) (Electric Transmission)
New Jersey Natural Gas Co. (Gas)
Verizon (Telephone)
Comcast (Cable TV)
Stafford Water and Sewer Utility Dept. (Water and Sanitary Sewer)
Ship Bottom Borough M.U.A. (Water and Sanitary Sewer)
Ocean County Utility Authority (Sanitary Force Main)

Environmental Permits: The following environmental permits have been approved.

Environmental Permit	Date
NJDEP Waterfront Development Permit	26-Oct-12
NJDEP CAFRA Permit	26-Oct-12
NJDEP Coastal Wetlands Permit	26-Oct-12
NJDEP Freshwater Wetlands Individual Permit	26-Oct-12
NJDEP Water Quality Certificate	26-Oct-12
USACE Individual Permit	17-Jan-13
USCG Bridge Permit Authorization and Supplemental Conditions	20-Feb-13
NJDEP General Permit #29	30-Jul-14
NJDEP Freshwater Wetlands General Permit #16	30-Jul-14
USFWS Special Use Permit	31-Jul-14
NJDEP Tidelands License for CBI Year 1	04-Aug-14
NJDEP Permit Modification	20-Aug-14
USACE Permit Modification	08-Sept-14
NJDEP Tidelands License for CBI Year 2	04-Aug-15
NJDEP Permit Modification	11-Dec-15
USACE Permit Modification	07-Jul-16
NJDEP Waterfront Development Permit for Scour Countermeasures	27-Jul-16
NJDEP Permit Modification	29-Jul-16
NJDEP Tidelands License for CBI Year 3	04-Aug-16
NJDEP Contract 3 Drainage Field Change Notification	23-Sept-16

NJDEP Tidelands License for CBI Year 4	13-Sept-17
NJDEP In-Water & Freshwater Wetlands Individual Permit	26-Feb-18
NJDEP Tidelands License for Contract 4	07-Oct-18

Currently, the NJDOT is in the process of acquiring permits for Contract 1A/1B.

Community Involvement: A comprehensive community involvement program has been implemented to keep the community informed about the project and, when possible, to be part of the decision-making process. As construction continues, the outreach program will remain active to alert residents/motorists of the pending construction. A project website has been developed on NJDOT's "In the Works" section to notify the public of project issues and status. To date, the following community outreach activities have been held.

Meeting	Date
Initial Strategy Meeting - Established a Steering Committee and Community Partnering Team	1-Jun-06
Rt. 72 Core Group Meeting	12-Jul-06
Steering Committee Meeting No. 1	1-Aug-06
Initial Community Partnering Team (CPT) Meeting	8-Sep-06
Steering Committee Meeting No. 2	3-Oct-06
Emergency Evacuation Plan Kick-off Meeting	6-Nov-06
Emergency Evacuation Plan Review Meeting	11-Dec-06
Environmental Team Agency Meeting No. 1- NJDOT Trenton	19-May-09
STAC Meeting - Toms River Yacht Club	11-Aug-09
Local Officials Briefing - Stafford Township	16-Nov-09
Local Officials Briefing - Borough of Ship Bottom	16-Nov-09
BBNEP Coordination Meeting - Watershed Based Mitigation Planning	8-Dec-09
Presentation to the Southern Ocean County Chamber of Commerce	13-Jan-10
Public Hearing and Information Center -Stafford Township Municipal Building	26-May-10
Local Officials Meeting - Borough of Ship Bottom	19-Jan-11
Pump Station Maintenance Coordination Meeting - Ocean County	19-Apr-11
Rotary Club Presentation - Long Beach Island	25-Aug-11
Local Officials Briefing - Stafford Township	17-Apr-12
Press Conference - Stafford Township	30-Jan-13
Public Information Center - Surf City Fire Department	16-May-13
Public Information Center -Stafford Township Municipal Building	23-May-13
Long Beach Island Fire/EMS Captains - Surf City Fire Department	19-Jun-13
Elected Officials Briefing-Fork River District 9 Office	19-March-14
Long Beach Island Rotary Club, Kubels Too, Long Beach Island	14-Aug-14

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Public Information Center-Ship Bottom Borough Hall and Stafford Township, Municipal Building	9-Feb-15
Surf City Fire/Emergency Medical Services (EMS) and Surf City Fire Department	11-Feb-15
Public Information Center for Loveladies Property Owners Association	23-August-15
Presentation to Southern Ocean County Chamber of Commerce Manahawkin	13-Oct-15
Presentation to District 9-Forked River District 9 Office	20-Oct-15
Public Information Center-Ship Bottom Borough Hall and Stafford Township, Municipal Building	23-March-16
Local Officials Briefing- Ship Bottom Borough Hall	13-Dec-16
Public Information Center-Ship Bottom Borough Hall and Stafford Township, Municipal Building	15-Dec-16
Stafford Township Water and Sewer Meeting	17-May-18
Local Officials Briefing- Ship Bottom Borough Hall	25-May-18
Contract 5 Ribbon Cutting Ceremony – various local and elected officials attended	27-Jun-18
Contract 4 Ribbon Cutting Ceremony – various local and elected officials attended	22-May-19
Local Officials Meeting – Stafford Township Municipal Building	06-Jun-19
Ship Bottom Borough – Water and Sewer Meeting	09-Oct-19

SECTION 2 – COST ESTIMATE

2.1 Project Cost Estimate

As of October 2, 2019, the total cost to complete the Route 72 Manahawkin Bay Bridge Project is estimated at \$340.913 million dollars, expressed in year of expenditure (2019). The total cost includes all design, right-of-way acquisition, and demolition, utility relocations by the utility companies, construction, construction engineering, construction inspection, environmental mitigation and contingencies for the six contracts. These major project element costs are summarized below and include both incurred and future costs in \$ millions. Project cost details are located on sheet A in Appendix C.

<u>Contracts 1A & 1B</u>		<u>Contract 2</u>	
Construction	\$ 31.971	Construction	\$ 87.112
Utilities	\$ 15.000	Utilities	\$ 3.845
Consultant (CE & CI)	\$ 4.000	Consultant (CE & CI)	\$ 14.235
In-House	\$ 0.791	In-House	\$ 5.592
Design	\$ 5.104	Design	\$ 5.842
Subtotal	\$ 56.866	Subtotal	\$ 116.626
<u>Contract 3</u>		<u>Contract 4</u>	
Construction	\$ 32.206	Construction	\$ 67.810
Utilities	\$ -	Utilities	\$ 4.650
Consultant (CE & CI)	\$ 4.352	Consultant (CE & CI)	\$ 10.351
In-House	\$ 3.444	In-House	\$ 3.250
Design	\$ 2.116	Design	\$ 5.198
Subtotal	\$ 42.118	Subtotal	\$ 91.259
<u>Contract 5</u>		<u>Contract 5A</u>	
Construction	\$ 9.295	Construction	\$ -
Utilities	\$ -	Utilities	\$ -
Consultant (CE & CI)	\$ 2.457	Consultant (CE & CI)	\$ -
In-House	\$ 3.302	In-House	\$ 0.150
Design	\$ -	Design	\$ 3.187
Subtotal	\$ 15.054	Subtotal	\$ 3.337
		Subtotal for All Contracts	
			\$ 325.260
		ROW Acquisition	\$ 3.301
		Preliminary Engineering Design	\$ 10.616
		Preliminary Engineering Utility Cost for All Contracts	\$ 1.736
		Total Project Cost	\$ 340.913

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Shown below is a comparison of the current estimated project costs compared to the costs estimated in 2018. All costs are shown in millions of dollars. This current project cost estimate is a \$21.290 million increase from the cost estimate presented in the 2018 Financial Plan Update, as shown below.

Current vs. Previous Financial Plan Estimates (in \$ millions)				
Project Segment	2018 Annual Update	2019 Annual Update	Change from 2018 to 2019	Comments
Contract 1A&1B	\$45.873	\$56.866	\$ 10.993	Cost differential due to increased utility relocations and associated costs. In addition, all unit costs and quantities were updated for all items to reflect Final Design.
Contract 2	\$116.579	\$116.626	\$ 0.047	Construction completed. Cost differential due to updated/actual costs from NJDOT FMIS data.
Contract 3	\$39.971	\$42.118	\$ 2.147	Construction completed. Some costs still to be paid to the contractor, consultant and utility companies. Cost differential due to updated/actual costs from NJDOT FMIS data. Change orders 7 through 11 including construction of landscape retaining walls adjacent to proposed walkways and slope erosion measures at the basin sites were also added.
Contract 4	\$87.499	\$91.259	\$ 3.760	Cost differential due to updated/actual costs from NJDOT FMIS data incurred up to 10/2/19. Change orders 1 through 9 including the basin regrading and drainage improvements change of plan were also added.
Contract 5	\$13.204	\$15.054	\$ 1.850	Construction completed. Cost differential due to updated/actual costs from NJDOT FMIS data.
Contract 5A	\$3.839	\$3.337	\$(0.502)	Cost differential due to updated/actual costs.
Row Acquisition	\$1.301	\$3.301	\$2.000	Cost differential due to an additional \$2.000 million cost for Contract 1A & 1B ROW acquisition.
Preliminary Engineering Design Cost NJDOT In-House	\$10.634	\$10.616	\$ (0.018)	Cost differential due to updated/actual costs from NJDOT FMIS data.
Preliminary Engineering Utility Costs for All Contracts	\$0.723	\$1.736	\$1.013	Cost differential due to updated costs from NJDOT FMIS data and increased utility relocation design costs.
Totals	\$319.623	\$340.913	\$21.290	

2.2 Methodology

The construction costs were estimated using historical bid data based estimating and other methods outlined in the NJDOT “Construction Cost Estimating Guide”. For major precast/prefabricated items, prices were obtained from the fabricators. The construction cost estimates for this project include a two percent average escalation rate. The ROW acquisition cost estimates were developed by the NJDOT ROW Division.

The Associated General Contractors of America (AGC) US Construction Spending, Labor and Materials Outlook (dated April 2019) report that their outlook for materials for 2019 onwards in the highway construction industry depends on trade policies and demand for construction; industry is subject to the widening labor shortages, worsened by hostile immigration policy. Solar and wind power is growing in popularity and thus more oil and natural gas pipelines expected in 2019 however timing is subject to court and regulatory delays. Highway funds will benefit from increased state highway and P3 funding. AGC outlook states that total construction spending is expected to increase by 4% to 7%, materials costs are expected to increase by 4% to 6%, and labor costs are expected to increase by 3.5% to 4.5%.

The construction cost estimate, updated in September 2019, is representative of today’s difficult economic times and recent price trends. Inflationary pressures have been low over the last couple of years but cannot be ruled out for the year 2020 and beyond. Various agencies in the region are anticipating billions of dollars in construction awards over the next several years where the Route 72 contract is scheduled for construction. Some of these projects include the Direct Connection (Routes 295, 42 & I-76), Missing Moves (Routes 295 & 42), Scudder Falls Bridge, the Pulaski Skyway, Route 280/21 Interchange Improvements, Route 3/46 Valley Road and Notch/Rifle Camp Road Interchange Project.

2.3 Cost Containment Strategies

As mentioned in the Project History Section, the NJDOT convened a Smart Scoping Team (SST) in 2005, to perform a Value Engineering review for this project to minimize the scope of work - and stay within the available funding. The NJDOT-SST made recommendations to reduce the scope of project:

- Rehabilitate the existing Manahawkin Bay Bridge.
- Construct a new parallel bridge across Manahawkin Bay.
- Rehabilitate, not replace, the three (3) trestle bridges.
- Reduce the scope of the Route 72 bridge approach roadway reconstruction.

In 2016 the NJDOT reviewed the scope of improvements proposed on Long Beach Island. The NJDOT decided to reduce the scope of the project by eliminating the proposed pump station.

The Department will consider a number of cost containment strategies that may include the following:

- Management cost control strategies.
- Guaranteed maximum price or completion date warranties.
- A thorough review of project risk based upon documented assumptions.
- Inclusion of resources and cost loaded scheduling techniques.

Documented practices for cost forecasting and detailed budget monitoring, combined with reasonable contingencies will be utilized in an effort to keep the project costs on target.

SECTION 3 - IMPLEMENTATION PLAN

3.1 Project Implementation

The Preliminary Project Implementation Schedules for the six Contracts that comprise this project are based on maintaining all traffic lanes along Route 72, during the Long Beach Island tourist season (May 15 through September 15) and maintaining at least one lane of traffic in each direction during the LBI off-season. The Right-of-Way for Section 7 has been acquired. The remaining Right-of-Way (Section 8 on LBI) will be acquired within the necessary time frames. The following techniques have been or will be employed to ensure the schedule is achieved:

- The relationships established with the Environmental Agencies during the Environmental Assessment (EA) approval should help obtain their cooperation during construction
- Environmental Mitigation schemes have been approved by the Environmental Agencies,
- Extensive coordination with the NJDOT's Subject Matter Experts has been performed throughout the project design to get the major design decisions approved. These design decisions have been documented in the Design Communication Report.
- Investigation of methods to accelerate construction, including:
 - Alternative Contracting Methods
 - Partnering
 - High Performance Materials
 - Prefabricated Construction
 - Advance Purchase and Fabrication
 - Alternate Structure Types
 - Contractor's Input
- Electronic Shop Drawing Review.
- Development of this Financial Plan
- Development of a resource-loaded schedule for each of the construction contracts.
- Interim Completion Dates for construction contracts where early completion is critical to maintaining the master schedule.

3.1.1 Project Implementation Schedule Breakdown

The construction schedules (Appendix B) for the Route 72 Contracts were developed using Primavera Software and the guidance and directives contained in the NJDOT Capital Program Management Construction Scheduling Coding and Procedures for Designers and Contractors Manual.

The schedules were developed based on the restrictions and traffic demands in the area and the commitments to the community and environmental concerns to minimize impacts. The schedules include nighttime work, winter work, and multiple work crews. The schedule estimates production rates for the fabrication and erection rates for multiple crews. The project construction including environmental mitigation is estimated to be completed in 2024.

Contract 1 (Estimated Duration 3 years, 11 months or 47 months)

Contract 1A: Marsha Drive Intersection Improvements - this Contract will be constructed in five (5) stages.

Pre-Stage 1 – Mobilization, installation of erosion control devices and construction of temporary traffic signal system at the Route 72/Marsha Drive intersection.

Stage 1 – On Route 72 Eastbound and Westbound, Stage I includes removal and reconstruction of the existing right shoulder with temporary pavement intended for use by Stage II traffic. In addition, Atlantic City Electric and Verizon will relocate existing electric, telephone and fiber optic aerial facilities along Route 72 in the vicinity of Marsha Drive. At the intersection, the work includes constructing a Bio-retention basin inside the Ramp A jughandle (SW corner of intersection) as well as widening and improvements to Ramp A including highway lighting. It is proposed to widen and construct new drainage on the west side of Marsha Drive from the southern end to East Bay Avenue.

Stage 2 – With Route 72 traffic shifted onto the right lane and shoulder, this stage provides for construction of the proposed Route 72 eastbound and westbound roadways within the existing grassy median. Drainage construction will occur in the median, as well as temporary pavement which is required at the East end of the project. Thereafter, the work includes construction of a concrete median barrier followed by proposed pavement construction. For the most part median construction will be completed from behind construction barrier curb. At Marsha Drive, working behind drums, traffic is split at the north and south ends of the road and the center portions of the roadway will be milled and paved.

Stage 3 – During this stage, Route 72 traffic is diverted inward onto the newly constructed median roadway while the outer portion of the proposed roadways will be constructed. This includes removing the Stage II temporary pavement. The work includes installing permanent drainage and constructing a new roadway pavement box with adjacent slopes. The existing Route 72 eastbound and westbound roadway will be milled and resurfaced. Route 72 construction in this stage will be constructed from behind drums. Permanent traffic signals at the Marsha Drive intersection will be constructed in this stage. Stage III provides for the reconstruction of Ramp B and completion of the east side of Marsha Drive from the southerly end to East Bay Ave.

Stage 4 – Stage IV consists of construction of final HMA pavement and striping, traffic markings and signage on Route 72 and Marsha Drive.

Contract 1B: Long Beach Island Operational and Drainage Improvements. This Contract will require seven (7) stages to complete.

Pre-Stage I – During this phase of work, the Contractor will mobilize and install conduit for Atlantic City Electric underground facilities along 8th and 9th Street. The island at Long Beach Boulevard will also be removed and paved.

Stage 1 – This phase includes work along the inner shoulders at 8th and 9th Street and the eastern side of Long Beach Boulevard. All utility relocations, both aerial and underground will be done. The drainage outfalls and trunk lines along 8th and 9th Street will be constructed. All traffic signals, except at the intersection of 8th and Long Beach Blvd will be installed. Other work includes the construction of drainage pipes, inlets, outfall cribbing, crossings, pavement, sidewalk and curbing.

Stage 2A – During this phase of work, full-depth pavement will be constructed along the western half of Barnegat Avenue and Central Avenue at the intersections with 8th and 9th Street. Other work includes the construction of sidewalk and curbing.

Stage 2 – This phase includes work to the inner lanes along 8th and 9th Street and the western sides of Barnegat Avenue and Central Avenue. Work includes the construction of drainage pipes, inlets, crossings, pavement, sidewalk and curbing.

Stage 3A – During this phase of work, full-depth pavement will be constructed along the eastern half of Barnegat Avenue and Central Avenue at the intersections with 8th and 9th Street. Other work includes the construction of sidewalk and curbing.

Stage 3 – This phase includes work to the outer shoulders along 8th and 9th Street, the local access road to the south of 8th Street, and the eastern sides of Barnegat Avenue and Central Avenue and the western side of Long Beach Avenue. The traffic signal at the intersection of 8th and Long Beach Blvd will be installed. Other work includes the construction of drainage pipes, inlets, pavement, sidewalk and curbing.

Stage 4 – This phase of work consists of final HMA pavement, striping and signs as well as traffic signal adjustments to final locations.

Contract 2 (Actual Duration 3 years, 3 months or 39 months)

Contract 2: New Bay Bridge Construction

The construction of the new Bay Bridge is complete. The NJDOT constructed the new bridge by maintaining all traffic on the existing bridge. This contract is complete and the bridges are open to traffic with two lanes on each bridge.

Contract 3 (Estimated Duration 2 years, 10 months or 34 months)

Contract 3: Trestle Bridge Rehabilitation (East and West Thorofares) - This contract is complete. The rehabilitation of the two trestle bridges has been completed and the bridges are open to traffic.

Contract 4 (Estimated Duration 3 years, 7 months or 43 months)

Contract 4: Existing Bay Bridge Superstructure Replacement - This bridge was reconstructed in three (3) stages. This contract is complete. The NJDOT reconstructed the existing bridge while relocating traffic to the new bridge. The NJDOT completed the basin upgrades as part of this contract. The Basin work was not originally included in Contract 4.

Contract 5 (Actual Duration 3 years, 2 months or 38 months)

This contract involved the construction of various environmental mitigations needed to comply with the environmental permit conditions. This contract is complete.

Contract 5A (Estimated Duration 7 years, 11 months or 95 months)

Contract 5A construction includes the implementation of Submerged Aquatic Vegetation (SAV) mitigation requirements in the Manahawkin Bay to comply with the environmental permit conditions. The overall goal of this work is to offset losses to SAV through a combination of adaptive management and research to establish and enhance SAV beds within the Barnegat Bay. All of this construction is off the road and does not affect the vehicular or pedestrian traffic. As such, no staged construction is necessary for the environmental mitigation work.

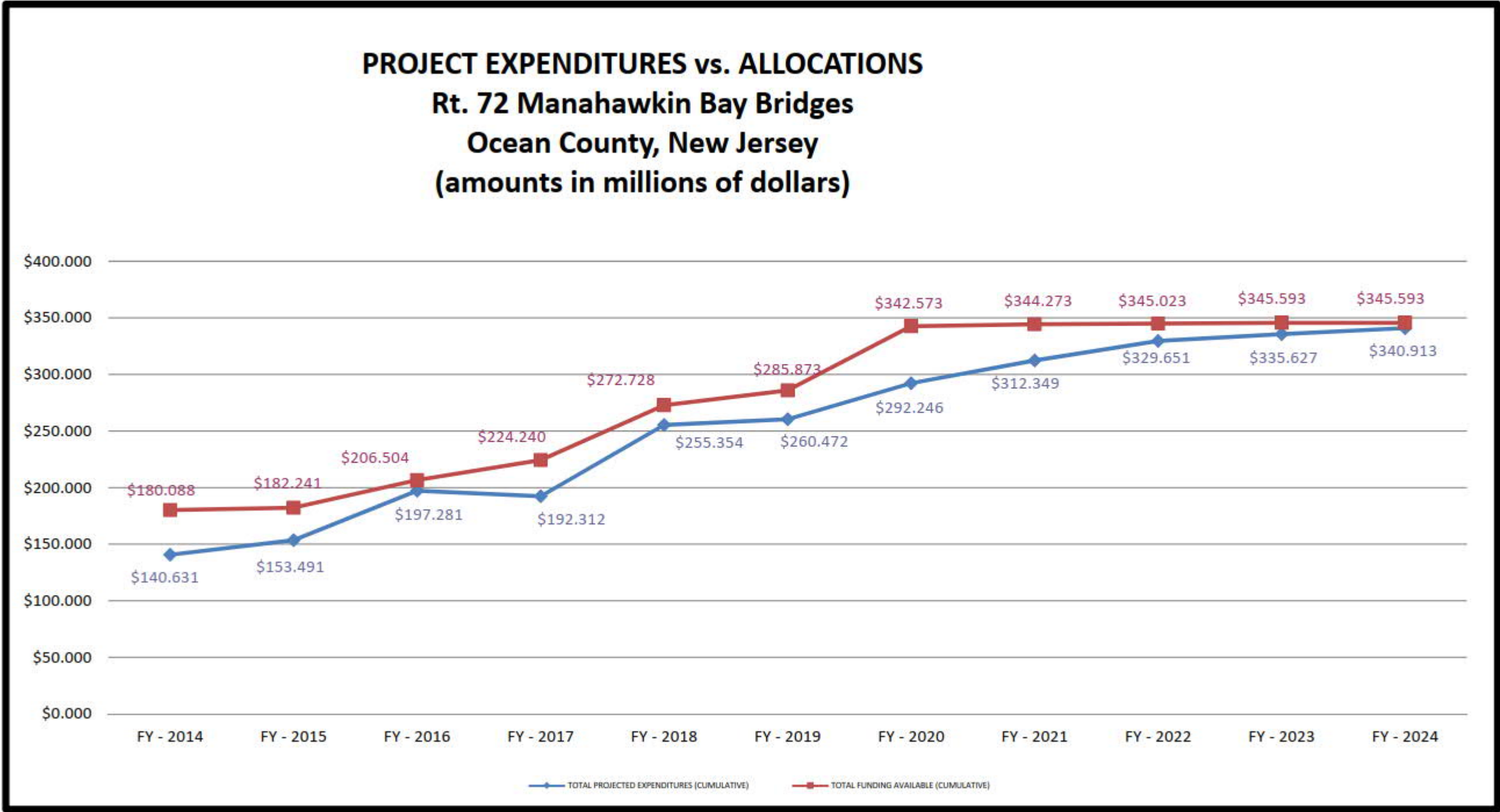
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SECTION 4 - PROJECT FINANCING

4.1 Overall Financial Plan

The Route 72 Manahawkin Bay Bridges project will be federally funded primarily with National Highway Performance Program funds. The projected cash expenditure and available Fiscal Year (FY) funding are summarized in the following Cash Flow Table.

There is a \$4.680 million surplus in resources versus planned expenditures projected for the Route 72 Manahawkin Bay Bridges project design and construction as shown in the following chart and table. The NJDOT is processing the STIP modification to provide the resources needed. The following chart and table show the surplus provided by the STIP modification. The detailed funding distribution documentation is shown in Appendix D.



Route 72 Manahawkin Bay Bridges
Wednesday, October 02, 2019
CASH FLOW TABLE UPDATE
CASH FLOW TABLE (SHEET A)

ITEM	Approved Up To FY-2019	Federal FY-2020	Federal FY-2021	Federal FY-2022	Federal FY-2023	Federal FY-2024	TOTAL ESTIMATED RESOURCES
Construction	\$196.423	\$34.850	\$0.850	\$0.290	\$0.220		\$232.633
Utility Construction	\$9.731	\$15.000					\$24.731
Consultant (CE & CI)	\$31.395	\$4.000					\$35.395
In-House	\$16.379						\$16.379
Design	\$30.644	\$0.850	\$0.850	\$0.460	\$0.350		\$33.154
ROW	\$1.301	\$2.000					\$3.301
SUBTOTAL - FUNDING ALLOCATION	\$285.873	\$56.700	\$1.700	\$0.750	\$0.570		\$345.593
TOTAL FUNDING AVAILABLE (CUMULATIVE)	\$285.873	\$342.573	\$344.273	\$345.023	\$345.593	\$345.593	\$345.593

ITEM	Incurred up to October 02, 2019 (SHEET C)	Federal FY-2020	Federal FY-2021	Federal FY-2022	Federal FY-2023	Federal FY-2024	TOTAL ESTIMATED COST
Construction	\$192.821	\$3.602	\$12.379	\$9.815	\$4.491	\$5.286	\$228.394
Utility Construction [FD & PE]	\$4.336	\$8.895	\$6.000	\$6.000			\$25.231
Consultant (CE & CI)	\$24.737	\$7.658	\$1.000	\$1.000	\$1.000		\$35.395
In-House	\$10.050	\$6.379	\$0.050	\$0.025	\$0.025		\$16.529
Design [FD & PE]	\$27.741	\$2.726	\$0.674	\$0.462	\$0.460		\$32.063
ROW [PE ONLY]	\$0.787	\$2.514					\$3.301
SUBTOTAL - PROJECTED EXPENDITURES	\$260.472	\$31.774	\$20.103	\$17.302	\$5.976	\$5.286	\$340.913
TOTAL PROJECTED EXPENDITURES (CUMULATIVE)	\$260.472	\$292.246	\$312.349	\$329.651	\$335.627	\$340.913	\$340.913

CUMULATIVE SURPLUS (DEFICIT)	\$25.401	\$50.327	\$31.924	\$15.372	\$9.966	\$4.680	\$4.680
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SECTION 5 - PUBLIC PRIVATE PARTNERSHIP ISSUES

The MAP-21 Guidance provided by FHWA requested the following items be addressed.

- Documentation of the results of the risk allocation analysis, if completed during the cost estimate review conducted prior to issuance of the NEPA Decision Document. To support the preparation of this assessment, beginning after October 1, 2012 all cost estimate reviews that are conducted prior to the issuance of the NEPA Decision Document will include a component to analyze the allocation of risk with respect to delivering the project through a public-private partnership (P3) procurement.
- A discussion of whether a public-private partnership or traditional procurement could more effectively leverage the revenue stream for the project, including the available debt capacity and cost of capital for both the public and private sector.
- A discussion of the current State-level legislative authorizations for public-private partnerships, including legislative authorizations regarding public sector debt capacity.
- A concluding statement regarding the appropriateness of a public-private partnership to deliver the project.

5.1 Risk Allocation

The MAP – 21 Guidance provided by FHWA that requested a risk allocation analysis, as it pertains to delivering the project through a public-private partnership, was not completed during the cost estimate review that was completed prior to issuance of the NEPA Decision Document. The Finding of No Significant Impact (FONSI) was approved on September 16, 2011. As such this provision is not applicable for the Route 72 Manahawkin Bay Bridges Project.

5.2 Effectiveness to Leverage The Revenue Stream For The Project

The current project does not result in a revenue stream for the State of New Jersey. The current crossing is not tolled and is the only access to and from Long Beach Island. Potential revenue streams such as tax increment financing (TIF) or tolling are not feasible. The project does not introduce any new potential development to support a TIF. Tolling was not addressed during the project development phase and would likely result in lengthy review to assess governance, feasibility and cost effectiveness. This could significantly increase the project schedule and cost.

The only options for a revenue stream from Route 72 would be from taxes on new development potential from the project or from tolling the facility. The project does not introduce any new development potential as such this is not a viable revenue stream. Route 72 provides the only access to and from Long Beach Island. As such, the potential for tolling the facility would have significant public opposition. Since it is a State highway that was funded with State and Federal monies, tolling is not an option unless an Authority were to assume control of the facility.

With the total project cost under \$400 Million, the needed investment versus potential return does not appear lucrative for a public private partnership. The ability to attract investors is very low.

5.3 State-level Legislative Authorizations

NJ legislation is currently limited on public private partnerships. While some state agencies do allow for this type of procurement, the NJDOT does not have the current ability to utilize this type

of funding mechanism. NJDOT would require legislative and executive approvals to advance this type of funding.

5.4 Concluding Statement

The Route 72 Manahawkin Bay Bridges Project is not a viable candidate for a P3 delivery model as the project is significantly advanced, enabling legislation is not in place, there is no revenue stream and tolling would induce significant public opposition.

SECTION 6 - PHASING PLAN

The purpose of this section is to identify fundable incremental improvements or phases that will address the purpose and the need of the project in the short term in the event there are insufficient financial resources to complete the entire project. The proposed improvements will be built in six phases (six independent construction contracts), as noted below. The details of improvements to be built in each contract and the implementation plans are described in Sections 1 & 3. The project phasing is consistent with the NEPA document.

PROPOSED PROJECT PHASES

Construction Phase	Contract Number	Description	Construction Schedule	Total Project Contract Cost
1	2	New Bay Bridge	May 2013 to July 2016	\$116.626 Million
2	3	Rehab. two Trestle Bridges	February 2015 to November 2017	\$42.118 Million
3	5	Environmental Mitigation	February 2015 to March 2018	\$15.054 Million
4	5A	SAV Mitigation	February 2016 to December 2023	\$3.337 Million
5	4	Rehab. Exist. Bay Bridge and one Trestle Bridge	November 2016 to May 2020	\$91.259 Million
6	1A & 1B	Marsha Drive Intersection/ LBI Traffic and Drainage Improvements	November 2020 to September 2024	\$56.866 Million
Total Project Contract Cost				\$325.260 Million

Phase 1: This phase involves the construction of a new, 2400' long parallel structure over Manahawkin Bay to the south of the existing bridge structure. The NJDOT maintained four lanes of vehicular traffic, as well as current existing bicycle traffic and pedestrian traffic patterns on the existing Manahawkin Bay Bridge during the construction of the new bridge to the side.

This phase has been completed. The new bridge has been opened to the public.

Phase 2: This phase involves the rehabilitation of two structures, over West Thorofare and East Thorofare. Work shall include pier cap rehabilitation, bearing retrofits, piling protection system, repairing and resurfacing the bridge decks, removal of existing parapets and safety walks and

replacement with new parapets, and deck joint replacement and separation safety barrier. The project will also include the reconstruction of bridge approach roadways, new storm drainage systems, highway lighting, fender system repairs and bulkhead improvements. The scour countermeasures at 3 Trestle Bridges were installed as part of this phase. This phase has been completed. The rehabilitated bridges have been opened to the public.

Phase 3 and 4: These phases involve the construction of various environmental mitigations needed to comply with the environmental permit conditions. Phase 3 has been completed. No staged construction plan is necessary for the Phase 4 environmental mitigation work. In case funds for the mitigation work are not available, the State will not be able to comply with the environmental permit conditions.

Phase 5: This phase involves the rehabilitation of two structures, the existing bridge over Manahawkin Bay and the bridge over Hilliards Thorofare. This phase has been substantially completed. The rehabilitated bridge was opened to the public in May 2019.

Additional work has been added to this project through COP No. 2. The COP consists of installation of curbing to stabilize the slopes at the existing basins. The curbing will substantially reduce the amount of runoff passing over the slopes of the basins. Combined with installation of new topsoil, matting, and plantings the stability of the basins will be significantly improved.

Phase 6: This phase involves the Route 72 and Marsha Drive intersection improvements and operational and safety improvements in Ship Bottom Borough:

- The Route 72 and Marsha Drive intersection improvements will be constructed in five construction stages. Two-way traffic will be maintained along Route 72 and Marsha Drive during construction.
- Operational and safety improvements in Ship Bottom Borough, on Long Beach Island will be constructed in seven construction stages. Traffic will be maintained along Route 72 and local roadways during construction.

In case funds for the above improvements are not available, the State will continue to maintain the existing infrastructure to accommodate the vehicular, pedestrian and bicycle traffic.

SECTION 7 - RISK IDENTIFICATION AND MITIGATION FACTORS

This section of the Financial Plan Update addresses the funding plan for this project, identifies risks that could impact this plan, and outlines mitigation measures to provide reasonable assurance that funds will be available to deliver the project through construction.

The Financial Plan risks fall under two broad categories: Cost Increase risks and Revenue Sufficiency risks. Understanding that this Financial Plan is focused on the construction phase, cost increase risks include such things as fuel price increases, material cost increases, and unknown site conditions. Revenue sufficiency risks in the context of this project include such things as funding availability and funding delays.

7.1 Cost Increase Risks

- Risk that costs will exceed program funding levels for utility relocation.
 - Utility relocation constitutes approximately 7.4 % of the project construction costs.
- Risk that bids will exceed program funding levels for construction.
- Construction costs for this project represent approximately 77.4% of the overall project cost. As such, if bids come in high there will be significant impact to the needed funding. However, this is less of a risk than in the recent past. Bids for Contracts 2, 4 and 5 have come in below the engineer's estimate. Bids have been fairly stable and predictable for the last five or so years.
 - This risk could potentially be mitigated through:
 1. Pre-Advertisement meetings to highlight project elements and risk items to help contractors with their bidding process.
 2. Advertising in Engineering News Record (ENR) and NJDOT website to encourage increased competition.
 3. Providing engineering reports on CD's to bidders to encourage value engineering proposals.
- Risk that unknown site conditions will increase project cost.
 - Construction projects of any type and size always have an inherent risk of encountering unknown site conditions. However, this is not an unusually high risk for this project. NJDOT has collected extensive subsurface information for the proposed foundations and existing utility locations.
 - Subsurface Soils Exploration Program – Over 100 land and water borings were taken for this project and available geological and geotechnical data, including test borings from the 2004 and 2006 boring programs, were reviewed as well. The geotechnical data was analyzed and used in the design for the proposed bridge, existing bridges, retaining walls, fender systems, bulkheads, closed circuit television, and roadway design along the proposed alignment and limits. The borings and groundwater observation wells were also utilized in determining ground water elevations. This subsurface exploration program should minimize the risk that an unknown subsurface soil condition will be encountered.

7.2 Revenue Sufficiency Risks

- The FAST, Fixing America's Surface Transportation Act, was signed on December 4, 2015. The \$305 billion Act funds surface transportation programs and provides increased funding and reliability to federal funding for five years (FY 2017 to FY 2021). In September 2020, the FAST Act is scheduled to expire. There is a risk of potentially losing the funding if the FAST Act is not reauthorized and Congress is unable to find additional revenues to support the Highway Trust Fund. There is a risk of funding the approximately \$21.5 million shortfall (Contract 1A) through continuing resolutions.
- The FY 2018 NJ Statewide Transportation Improvement Program (STIP) funds the federal portion of this project through FY 2021. The FY 2020 STIP, when approved by USDOT, will continue to fund this project.
- Risks that costs will increase due to change orders in construction.
 - This could be mitigated by thorough reviews by the designer and owner prior to bid. Reviews by the designer cannot substitute for owner reviews, since the owner may have preferences that are unknown to the designer. An otherwise valid design may be unacceptable to the owner due to policy.

SECTION 8 - ANNUAL UPDATES

The Annual Updates of the Initial Financial Plan will provide information on the actual cost, expenditure, and revenue performance in comparison to initial estimates as well as updated estimates of future year's obligation and expenditures. The annual updates will provide information on cost and revenue trends, summaries of cost reductions and increases, current and potential funding shortfalls and the financial adjustments necessary to assure completion of the Project.

Each Annual Update of this Financial Plan will be presented in actual cost to date and cost to complete estimates shown in year of expenditure dollars. These updates will use the same project elements to present the cost and revenues used in the Initial Financial Plan estimate. Any significant change in the total project cost or revenue since the last estimate will be clearly presented and the major reasons for these significant changes will be provided. Any required adjustments to the cost estimate will be computed in a manner consistent with the methodology established in this Financial Plan.

For annual updates, the Route 72 Manahawkin Bay Bridges Team will consider FHWA's fiscal year (October 1-September 30) as the Project's fiscal year. This timing will facilitate the development of compatible subsequent capital program updates. Annual updates to the Financial Plan will be submitted to FHWA within 90 days following the end of FHWA's fiscal year (Sept. 30). Therefore, the next annual update will be submitted on or before December 30, 2020.

Significant changes to the total project cost and revenue since the December 2018 update are broken down on a per contract basis and are as follows:

Contracts 1A and 1B, Final Design was submitted on November 15, 2019. All unit prices and quantities were updated as of November 2019. Utility relocation costs increased in 2019 upon the coordination of relocation schemes with the utility companies.

Contract 2 construction was completed in July 2016. Payments to the contractor, consultant and utility companies are ongoing as the contract is still open.

Contract 3 construction is 100% complete up to November 2019 based on the original contract requirements. Payments to the contractor for this work are ongoing. Scour countermeasures at Hilliard's, West and East Thorofares were constructed as part of this contract. Change orders 7 through 11 including construction of landscape retaining walls adjacent to proposed walkways and slope erosion measures at the basin sites were also added.

Contract 4 construction is 99% complete up to November 2019. Payments to the contractor for this work are ongoing. Change orders 1 through 9 including basin regrading and drainage improvements change of plan were added.

Contract 5 Construction was completed in October 2017.

Contract 5A SAV design costs increased in 2019 due to increased salary/overhead costs.

Appendix A

Overall Project Map

Appendix E

STIP Documentation

FY 2020-2029 DRAFT STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM
New Jersey Department of Transportation Project Descriptions
(\$ millions)

Route 72, Manahawkin Bay Bridges, Contract 1A & 1B

DBNUM: 11385 / UPC: 113850

Contract 1A will include Rt. 72 and Marsha Drive Intersection Improvements, reconstruction and widening of Rt. 72 and Marsha Drive, and reconstruction of a traffic signal. The project also includes the installation of new storm drainage systems, a detention basin, ITS improvements, highway lighting and utility relocations.

Contract 1B will include operational and safety improvements in Ship Bottom Borough, on Long Beach Island. Approx. 3000' feet of Rt. 72 (locally known as 8th and 9th Streets) and three cross roads (Barnegat Avenue, Central Avenue and Long Beach Boulevard) will be widened. Two-way traffic will be restored along Barnegat Avenue, Central Avenue and Long Beach Boulevard. Five traffic signals will be reconstructed. A new traffic signal will be installed at the intersection of 8th Street and Long Beach Boulevard. In order to reduce frequent flooding along Rt.72 and the intersections, a new storm drainage system will be installed. The project also includes the installation of bicycle and pedestrian accommodations, ITS improvements, highway lighting and utility relocations.

COUNTY: Ocean

LEGISLATIVE DISTRICT: 9

MUNICIPALITY: Stafford Twp, Barnegat Twp, Ship Bottom Boro

SPONSOR: NJDOT

MILEPOSTS: 25.38 - 26.1428.24 - 28.74

STRUCTURE NO.: N/A

FINANCIAL PLAN REQUIREMENT: This project is part of a project with a total cost between \$100 and \$500 million programmed to receive federal financing.

AIR QUALITY CODE (NON-EXEMPT/EXEMPT): 2025M (Non-Exempt)

ASSET MANAGEMENT CATEGORY: Infrastructure Preservation (Bridge Assets: Bridge Rehab and Replacement)

MPO	Phase	Fund	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
NJTPA	CON	NHPP	\$30.710										\$30.710

FY 2020-2029 DRAFT STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM
New Jersey Department of Transportation Project Descriptions
(\$ millions)

Route 72, Manahawkin Bay Bridges, Contract 5A - Environmental Mitigation

DBNUM: 00357D1 / UPC: 158000

This project will include the implementation of Submerged Aquatic Vegetation (SAV) mitigations requirements in the Manahawkin Bay, to comply with environmental permit conditions. The overall goal of this work is to offset losses to SAV, through a combination of adaptive management, and research, to establish and enhance SAV beds within the Barnegat Bay. The research element will include the monitoring of existing SAV beds to measure recovery post Superstorm Sandy, and the adaptive management component will include establishing and/or enhancing up to 10 acres of new or existing beds to facilitate recovery efforts and promote resiliency.

COUNTY: Ocean

LEGISLATIVE DISTRICT: 9

MUNICIPALITY: Stafford Twp, Ship Bottom Boro

SPONSOR: NJDOT

MILEPOSTS: 26.40 - 28.14

STRUCTURE NO.: 1513151, 1513152, 1513153, 1513154

FINANCIAL PLAN REQUIREMENT:

AIR QUALITY CODE (NON-EXEMPT/EXEMPT):

ASSET MANAGEMENT CATEGORY: Infrastructure Preservation (Bridge Assets: Bridge Rehab and Replacement)

MPO	Phase	Fund	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
NJTPA	DES	STATE	\$0.850	\$0.850	\$0.290	\$0.220	\$0.050						\$2.260

Lead Unit	CPM Project Management
Unit Contact	Patel, Pankesh
Project Contact	Kuhn, George

UPC No: 113850

Structure No:

CIS Category: Bridge Rehab and Replacement

[illegible]

Lead Unit	CPM Project Management
Unit Contact	Patel, Pankesh
Project Contact	Kuhn, George

DB No:

UPC No: 158000

Structure No:

CIS Category: Bridge Rehab and Replacement

[illegible]

Attachment PPC-6

Summary of Action

Approval of the 2019 Financial Plan Update for the Route 206 Project in Somerset County

Action: The New Jersey Department of Transportation (NJDOT) is requesting approval of the proposed Financial Plan Update for the Route 206 project in Somerset County. The updated financial plan reflects a total project cost of \$452.821 million, an increase of \$13.917 million that is mainly due to utility relocations and updated cost estimates. Funding changes will be reflected in a revision to the FY 2020-2023 Transportation Improvement Program (TIP). Annual Financial Plan updates are approved by the NJTPA Project Prioritization Committee and require no further action.

Background:

Financial Plans

Under federal law, recipients of federal financial assistance for projects with a total cost from \$100 million to \$500 million are required to prepare a financial plan that includes the following elements:

- **Project Description:** A detailed description that presents the scope of the project. A graphic depicting the project location is recommended.
- **Cost Estimate:** The total cost and cost-to-complete for major project elements are presented in year of expenditure dollars.
- **Implementation Plan:** The project schedule is presented and the cost-to-complete is presented in annual increments in year of expenditure dollars.
- **Financing and Revenues:** Presented by funding source as annual elements available for project obligations.
- **Cash Flow:** An annualized presentation of cash income and outgo to illustrate how periodic bills will be paid.
- **Risk Identification and Mitigation Factors:** Identification of the likelihood of issues affecting project completion and sufficiency of revenues – such as cost escalation, construction schedules, and dependencies on future legislation – and strategies and actions to address these risks.
- **Phasing Plan:** Identification of fundable improvements that will address the short-term purpose and need of the project in the event there are insufficient financial resources to complete the entire project.
- **Public Private Partnership (P3):** Assessment of appropriateness of a public-private partnership to deliver the project.
- **Annual Update Cycle:** The submission dates and reporting periods should be proposed in the Initial Financial Plan and annual updated plans.

The Route 206 Project Initial Financial Plan was approved by the NJTPA Board of Trustees in November 2017 and must be updated annually. The Annual Update should identify and resolve any cost and funding changes that have occurred since the previous submission. This would include changes in project scope that impact the cost estimate and completion schedule for the project.

Project Description

The Route 206 Project is a new roadway alignment/bypass from the vicinity of the existing Route 206 over Pike Run (south of Mountain View Road), to Doctors Way in Hillsborough Township, and a widening of the existing Route 206 between Doctors Way and the Somerville Circle in Hillsborough Township, Somerville Borough, Raritan Borough and Bridgewater Township, in Somerset County. The project would improve safety, capacity and level of service through the Route 206 corridor. The Route 206 Bypass will also provide for potential secondary benefits in returning a section of existing Route 206 to a boulevard within the central business district in Hillsborough Township.

The current TIP programmed costs are divided into three segments:

Route 206 Bypass, Mountain View Road to Old Somerville Road (Sections 14A & 15A) Contract B DB# 779

Contract B will construct the remaining portion of the Bypass which includes the Route 206 Bypass tie-ins to existing Route U.S. 206 at Mountain View Road to just south of Hillsborough Road and from just north of Amwell Road to Old Somerville Road, including modifications at the Route 206 and Triangle Road/Falcon Road intersection to provide a U-turn for the Old Somerville Road residents north of Ramp T. Construction began in November 2017 and will continue into October 2020.

Route 206, Doctors Way to Valley Road DB# 780B

A breakout of “Route 206, Old Somerville Road to Brown Avenue (Section 15N) (Southern section)” will include widening from two lanes to four lanes, revision of three existing traffic signals and replacement of the Route 206 Bridge over Royce Brook Tributary C, and construction of a new bridge carrying realigned Valley Road over Royce Brook Tributary C. The project will be bicycle/pedestrian compatible. Final Design will be completed in April 2020.

Route 206, Valley Road to Brown Avenue DB# 780A

A breakout of “Route 206, Old Somerville Road to Brown Avenue (Section 15N) (Northern section)” will include widening from two lanes to four lanes, revision of two existing traffic signals (adding two new jug handles) and replacement of the Norfolk Southern railroad bridge over Route 206. The project will be bicycle/pedestrian compatible. A new 4(f) evaluation was completed in 2019. Final Design will be completed in April 2022.

The projected cost of this project is \$452.8 million. The project has expended \$313.4 million or 69.2% of the current project estimate. The project is currently under construction (Route 206 Bypass Contract B) and in Final Design (Doctors Way to Valley Road; and Valley Road to Brown Avenue). Project Construction began in 1991 (*Brown Circle to Somerville Circle Section 15J; and Somerville Circle Section 15H are completed*). Project completion is anticipated in December 2024.

Justification for Action: The Financial Plan Update has been reviewed for consistency based on the elements listed above. The project is identified in the Long Range Transportation Plan, and the FY 2020 – FY 2023 TIP. By approving the Financial Plan Update, the project will be in compliance with federal guidelines, allowing NJDOT to request federal authorization for the construction phase of this project.

Staff Recommendation: Central Staff recommends approval of this action.

Route 206 Project in Somerset County

Financial Plan Comparison (2018 and 2019)

(\$ millions)

Project Segment	Financial Plan Update 2018	Financial Plan Update 2019	Change 2018-2019	Comments
Pre-Construction	\$ 2.609	\$ 2.609	\$ 0.000	Complete
Segment VI – Route 206 Bypass	\$ 180.886	\$180.508	(\$ 0.378)	Overall funding decreased as the projected costs for Utility relocation costs were reduced.
Segment VII – 15N	\$ 13.634	\$ 13.594	(\$ 0.040)	Updated costs from NJDOT FMIS data.
Segment VII – Doctors Way to Valley Road	\$ 56.549	\$ 59.745	\$ 3.196	Construction cost estimate has been updated to reflect current prices. Utility relocation costs have been updated.
Segment VII – Valley Road to Brown Avenue	\$ 59.000	\$ 70.139	\$11.130	Overall cost increased to reflect increase in Final Design and Utility relocation costs.
Segment VIII and IX – Brown Avenue to Somerville Circle (Section 15J)	\$ 90.440*	\$ 90.440	\$ 0.000	Complete
Segment X – Somerville Circle (Section 15H)	\$ 33.426	\$ 33.426	\$ 0.000	Complete
Wetlands Mitigation	\$ 2.360	\$ 2.360	\$ 0.000	Complete
Total	\$438.904*	\$452.821	\$13.917	

* Correction from FY 2018 Financial Plan.

Source: Route U.S. 206 Project, Financial Plan Update, 2019, p.35.

Route U.S. 206 Project

From the Vicinity of Route U.S. 206 Over Pike Run to the Intersection
of Route U.S. 202, N.J. Route 28 and Route U.S. Route 206
(Somerville Circle)

Somerset County, New Jersey



Draft

Financial Plan Update No. 2

October 2019



Submitted by the NJ Department of Transportation

**Route U.S. 206 Project
From the Vicinity of Route U.S. 206 Over Pike Run
to the Intersection of Route U.S. 202, N.J. Route 28
and Route U.S. Route 206 (Somerville Circle)**

Financial Plan Update

LETTER OF CERTIFICATION

The New Jersey Department of Transportation (NJDOT) has developed a comprehensive Financial Plan for the Route U.S. 206 Project in Somerset County, NJ in accordance with the requirements of Title 23, United States Code, Section 106 and the Financial Plan guidance issued by the Federal Highway Administration. The plan provides detailed cost estimates to complete the project and estimates of the financial resources necessary to fund the project.

The cost data in the Financial Plan provides an accurate accounting of costs incurred to date and includes an estimate of future costs based on engineer estimates and anticipated construction cost escalation factors. While the estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables, they represent realistic estimates of financial resources available to fund the project as described.

The NJDOT believes that the Financial Plan provides an accurate basis upon which to schedule and fund the Route U.S. 206 Project, and commits to providing Annual Updates according to the schedule outlined in the Financial Plan Update.

To the best of our knowledge and belief, the Financial Plan Update, as submitted herewith, fairly and accurately presents the financial position of the Route U.S. 206 Project cash flows and expected conditions for the project's life cycle. The financial forecasts in the Financial Plan Update are based on our judgment of the expected project conditions and our expected course of action. We believe that the underlying assumptions of the Financial Plan Update are reasonable and appropriate. Further, we have made available all significant information that we believe is relevant to the Financial Plan Update and to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

Respectfully submitted:

Snehal Patel, P.E., PMP
Assistant Commissioner
Capital Program Management

Date

Lewis Daidone
Assistant Commissioner
Finance and Administration

Date

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Summary

The Route U.S. 206 Project involves improving existing Route U.S. 206 from the vicinity of existing Route U.S. 206 over Pike Run, south of Mountain View Road in Hillsborough Township to the Somerville Circle (junction of Route U.S. 206, U.S. 202 and NJ 28 in Raritan Borough, Somerville Borough and Bridgewater Township, Somerset County). Title 23, Section 106(i) of the United States Code (USC), requires a recipient of Federal financial assistance for a project with an estimated total cost exceeding \$100 Million dollars must submit to the United States Secretary of Transportation an annual Financial Plan for the project.

A Financial Plan is a comprehensive document that reflects the project's scope, schedule, cost estimate, and funding structure to provide reasonable assurance that there will be sufficient funding available to implement and complete the entire project.

The current total estimated cost of the Route U.S. 206 Project is \$452.8 Million in year of expenditure dollars. This cost estimate includes prior costs as well as escalation and contingencies to account for potential changes during Final Design. The construction costs contain contingencies as outlined within this plan. The NJDOT is submitting this Financial Plan Update to define the methodology, resources and time schedule of the work completed and the remaining work to finish the proposed improvements. This plan details the following topics:

1. Project Description
 - Provides a description of the Project.
 - Details the Project's history.
 - Explain the phasing of the Project.
 - Explains the current Project activities.
2. Schedule
 - Presents the Project's phase implementation schedule
3. Project Cost
 - Provides the Project's cost estimate schedule, including cost to complete.
 - Reviews increases to original cost estimates and factors that could affect future project costs.
 - Explains the cost estimating methodology and cost containment strategies.
4. Project Funds
 - Lists the committed Federal funding sources to date.
 - Identifies committed State funding sources.
 - Discusses the Project's remaining anticipated Federal funding requirements.
 - Describes the State's commitment to fund the remainder of the Project.
5. Financing Issues
 - Addresses issuance costs, interest costs and other aspects of borrowing funds.
6. Cash Flow
 - Analyzes anticipated funding in relation to projected obligation requirements.
 - Demonstrates funding needs will be satisfied.
7. P3 Assessment
 - Assesses the appropriateness of a P3 cooperative arrangement to deliver the project.

8. Risk and Response Strategies
 - Outlines potential risk factors and possible mitigation actions.
9. Annual Update Cycle
 - Provides anticipated approach and schedule for annual updates.

This Financial Plan Update, in accordance with FHWA guidelines, forms the base cost and schedule estimate to which all future Financial Plan updates will be compared. This plan demonstrates and outlines the Department's commitment to sound financial planning and providing the resources needed to complete the Project by September of 2024.

Section 1.0 Project Description

1.1 Project Description

The Route U.S. 206 Project proposes a new roadway alignment/bypass from the vicinity of existing Route U.S. 206 over Pike Run (south of Mountain View Road), to Doctors Way in Hillsborough Township, and widening of existing Route U.S. 206 between Doctors Way and the Somerville Circle in Hillsborough Township, Somerville Borough, Raritan Borough and Bridgewater Township, in Somerset County. The purpose of the project is to improve safety, capacity and level of service through the Route U.S. 206 corridor. The Route U.S. 206 Bypass, between Mountain View Road and Doctors Way will also provide for potential secondary benefits in returning a section of existing Route U.S. 206 to a boulevard within the central business district in Hillsborough Township.

The Preliminary Engineering (PE) and NEPA/Environmental Impact Statement (EIS) were completed and approved for Route U.S. 206 in 7 segments (referred to as Segments IV through X in the EIS). The FHWA issued a Record of Decision for the EIS document on March 20, 1989. Due to fiscal constraints, the NJDOT decided not to build the entire 14-mile length of the Route U.S. 206 Project as one project, but to program the design, right-of-way acquisition, and construction of the improvements in fiscally manageable sections over several years in a series of contracts. Due to a lack of community support, Segments IV and V will not be constructed, so the Route U.S. 206 Project will focus on construction of Segments VI through X. The information in this Financial Plan Update will be presented by the following Segments and phases that comprise the Project. It is the intent to complete each Segment/phase of the project independently. The project has been phased in a manner to allow completed Segments of Route U.S. 206 to be opened to the public and operate effectively until the subsequent and remaining construction has been completed. A Project Location Map is shown in Figure 1.1. Several Segments and contracts of the Route U.S. 206 project have already been completed, as noted below.

A. PE, Selection of Preliminary Preferred Alternative (PPA), NEPA/EIS and Section 4(f) Evaluation.

- This project included preparation/approval of PE, PPA and EIS/Section 4(f) (Complete).

B. Segment VI – Route 206 Bypass

- Route U.S. 206 (1990) Bypass Sections 14A & 15A from Hillsborough Road to Amwell Road, Tree and Vegetation Removal Contract (Complete)

This tree clearing contract, from south of Hillsborough Road to north of Amwell Road (CR514), was initiated in advance of Contract A. The tree clearing contract was necessitated due to Indiana Bat regulations that require trees, which are suitable for their habitat, to be cleared between November and April. This contract was completed by April of 2010.

- Route U.S. 206 (1990) Bypass Sections 14A & 15A from Hillsborough Road to Amwell Road, Contract A (Complete)

Contract A included grading, paving and structures for construction of the Route 206 Bypass from south of Hillsborough Road to north of Amwell Road (CR514). The construction contract was awarded in May of 2010 and finished in October of 2013.

- Route U.S. 206 (1990) Bypass Sections 14A & 15A from the vicinity of Existing Route U.S. over Pike Run to Hillsborough Road, and from Amwell Road to Old Somerville Road, Contract C (Complete)

Grading and drainage contract for the Route 206 Bypass was completed in October 2014, in advance of Contract B from south of Mountain View Road to south of Hillsborough Road and from north of Amwell Road (CR514) to Old Somerville Road.

- Route U.S. 206 (1990) Bypass Sections 14A & 15A from the vicinity of Existing Route U.S. over Pike Run to Hillsborough Road, and from Amwell Road to Triangle Road, Contract B (Construction Phase)

Contract B will construct the remaining portion of the Bypass, which includes the Route 206 Bypass tie-ins to existing Route U.S. 206 at Mountain View Road to south of Hillsborough Road and from just north of Amwell Road (CR514) to Old Somerville Road, including modifications at the Route U.S. 206 and Triangle Road/Falcon Road intersection to provide a U-turn for the Old Somerville Road residents north of Ramp T.

C. Segment VII

- Route 206, Old Somerville Road to Brown Avenue (Section 15N)

The original Section 15N limits were from Old Somerville Road to Brown Avenue. This section was replaced in 2016 with two breakout projects, namely; Route 206, Doctors Way to Valley Road and Route 206, Valley Road to Brown Avenue, as described below.

- Route 206, Doctors Way to Valley Road (Final Design)

This breakout of the Route 206, Old Somerville Road to Brown Avenue (Section 15N) project (Southern section) will include widening from two lanes to four lanes, revision of three existing traffic signals, replacement of the Route U.S. 206 Bridge over Royce Brook Trib. C, and construction of a new bridge carrying realigned Valley Road over Royce Brook Trib. C. The project will be bicycle/pedestrian compatible. Right-of-Way acquisition and Final Design are currently underway.

- Route 206, Valley Road to Brown Ave (Final Design)

This breakout of the Route 206, Old Somerville Road to Brown Avenue (Section 15N) project (Northern section) will include widening from two lanes to four lanes, revision of two existing traffic signals (adding two new jug handles) and replacement of the Norfolk Southern railroad bridge over Route 206. The project will be bicycle/pedestrian compatible. Right-of-Way acquisition and Final Design are currently underway, with a new Section 4(f) evaluation completed in 2019.

D. Segments VIII and IV

- Brooks Boulevard, Hillsborough Township to Somerville Circle, Raritan Borough (Section 15J) (Complete).

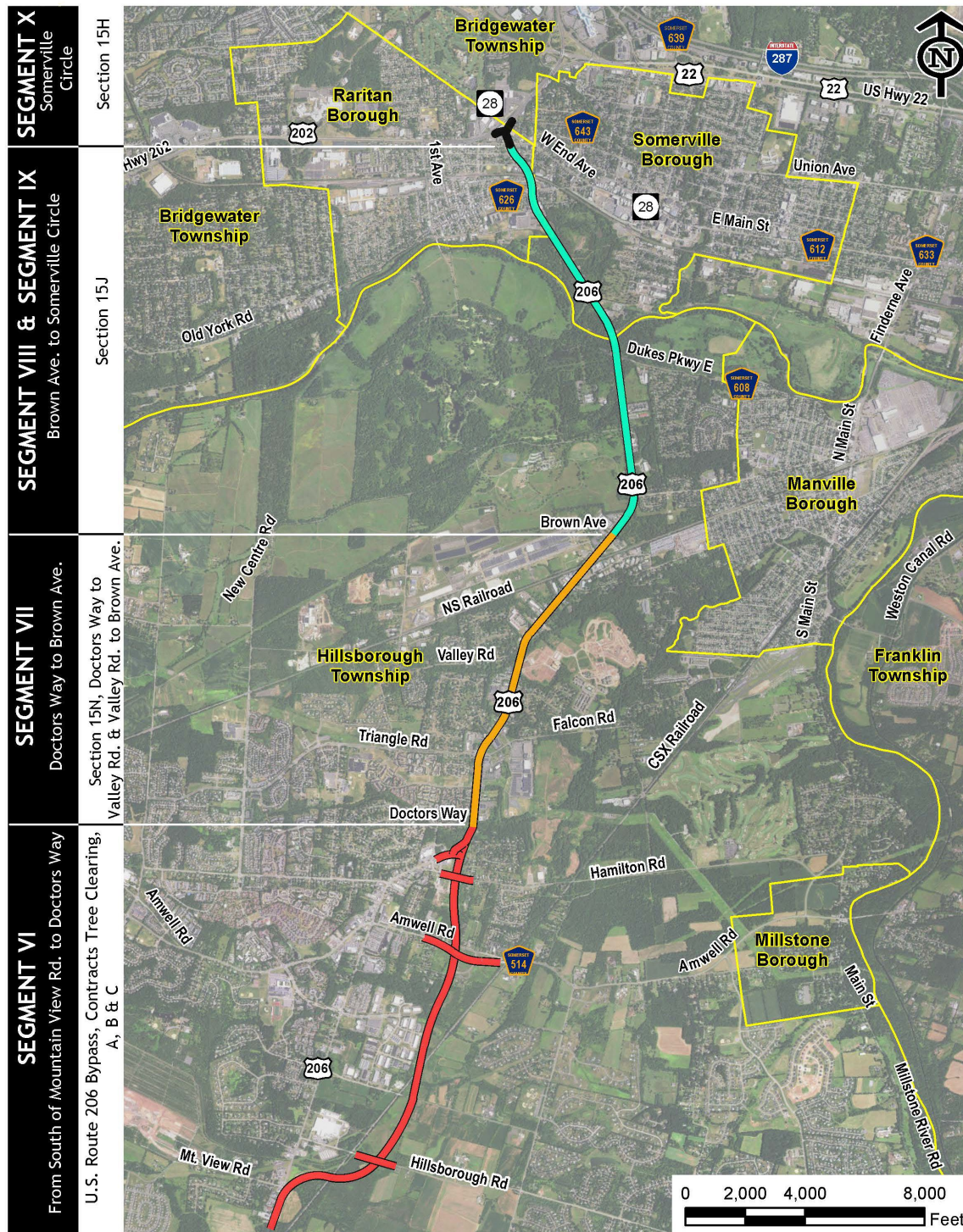
This segment consisted of widening Route 206 on the existing alignment with the addition of jug handles to handle turning movements at major intersections.

E. Segment X

- Somerville Circle (Section 15H) (Complete)

A diamond type interchange with a flyover of Route 202 bridging the rotary with Route 206 and Route 28.

FIGURE 1.1: Project Location Map



Route U.S. 206 Project Location Plan
Hillsborough Township, Somerville Borough, Raritan and
Bridgewater Township, Somerset County, New Jersey

1.2 Project History

November 1974

NJDOT identified the project need and began to perform the environmental studies.

November 1977

NJDOT circulated a Notice of Planned Action (NOPA)

January 1978

NJDOT began preparing the Draft EIS/Section 4(f) evaluation

June 1981

NJDOT conducted a public meeting in Hillsborough Township

April 1982

NJDOT circulated a revised NOPA

August 1985

NJDOT and FHWA circulated the Route U.S. 206 Draft EIS/Section 4(f) evaluation.

September 1985

NJDOT held a Public Hearing for the project.

August 1988

Route U.S. 206 Final Environmental Impact Statement/Section 4(f) Evaluation was signed.

March 1989

The FHWA issued the Record of Decision for this document.

The NJDOT filed an Alignment Preservation Map with Somerset County, the Townships of Hillsborough and Montgomery, and the Boroughs of Raritan and Somerville.

Due to fiscal constraints, the NJDOT decided not to build the entire 14-mile length of Route U.S. 206 as one project, but to program the design, right-of-way acquisition, and construction of the improvements in fiscally manageable sections over several years for Segments VI through X. Due to a lack of community support, Segments IV and V will not be constructed.

May 1994

Route U.S. 206, Segment X – Somerville Circle, Section 15H has been constructed and opened to traffic.

November 2004

Route US 206, Segments VIII and IX, Section 15J, has been constructed and was opened to traffic

February 2007

Segment VI, The Route 206 Bypass project scope went through a “Smart Solutions” process to refine the project design while meeting the needs of all stakeholders, resulting in some adjustments. The northern portion of the project from Amwell Road to Old Somerville Road remained virtually unchanged. The interchange configuration at Amwell Road (CR 514) was altered to consist of a single ramp and signal-controlled service road to reduce impacts. The Route 206 Bypass cross-section was reduced to two lanes with a grass median from south of Amwell Road to its southern terminus where it rejoins existing Route U.S. 206 at Mountain View Road. The southern portion of the project alignment was refined based on the

“Smart Solutions” process, extending from Hillsborough Road in a westerly direction to the southern terminus with existing Route U.S. 206 in the vicinity of Mountain View Road. With this, the portion of the alignment from south of Hillsborough Road to Belle Mead-Griggstown Road and passing through the Pike Run development area in Montgomery Township was eliminated.

April 2010

Segment VI, Route U.S. 206 Bypass Sections 14A & 15A, Tree Clearing Contract is completed.

October 2013

Segment VI, Route U.S. 206 Bypass Sections 14A & 15A, Contract A is completed.

October 2014

Segment VI, Route U.S. 206 Bypass Sections 14A & 15A, Contract C is completed.

2016

Segment VII, the original 15N Section from Old Somerville Road to Brown Avenue Project was replaced by two breakout projects, namely; Route 206, Doctors Way to Valley Road and Route 206, Valley Road to Brown Avenue

July 2017

Segment VI, Route U.S. 206 Bypass Sections 14A & 15A, Contract B construction funding was changed from State to Federal funding.

January 2018

Contract B Construction was awarded to Konkus Corporation and construction is underway.

May 2019

A new section 4(f) evaluation completed for Route 206, Valley Road to Brown Avenue.

1.3 Current Activities

The following is a summary of the major work activities currently in progress on the Route U.S 206 Project:

A. PE/selection of PPA, NEPA/EIS/Section 4(f) (Complete)

B. Segment VI – Route U.S. 206 Bypass

- Contracts for Tree and Vegetation Removal, Contract A and Contract C (Complete)
- Contract B (Construction Phase)
 - Right-of-Way – All ROW for the project has been acquired except for the CSX and Township of Hillsborough (Green Acres encumbered) parcels. The Green Acres diversion/disposal application for the Township of Hillsborough parcel was approved by the NJ State House Commission. NJDOT secured construction Right of Entry agreements for the CSX and Township properties.
 - Utilities – All Utility Agreements have been executed.
 - Permits – All permits have been obtained.

- Community Involvement – Contract B Public Information Center and Green Acres Hearing was held on February 16, 2017 at the Hillsborough Township Municipal Building.
- Construction started in February 2018.

C. Segment VII

- Route 206, Doctors Way to Valley Road (Final Design)
 - Right of Way (ROW) – Acquisition of ROW is underway.
 - Final Design is underway.
 - Utilities – Utility coordination is underway.
 - Permits – preparation of environmental permits is underway.
 - Community Involvement – Public involvement is underway.
- Route 206, Valley Road to Brown Avenue (Final Design)
 - New Section 4(f) Evaluation of the existing Norfolk Southern Railroad Bridge over Route 206 was completed in May 2019.
 - Final Design is expected to resume in Winter 2019/2020.
 - Community Involvement - Public Information Center was held on October 15, 2018.

D. Segments VIII, IX

- Route U.S. 206 from Brown Avenue to Somerville Circle Section 15 J (Complete)

E. Segments X

- Somerville Circle (Complete)

Section 2.0 Schedule

2.1 Project Implementation Schedule

Figure 2.1 on the following page depicts the Project Implementation Schedule for the completed and remaining Segments and Contracts.

The following techniques have been or will be employed to ensure that the schedule is achieved:

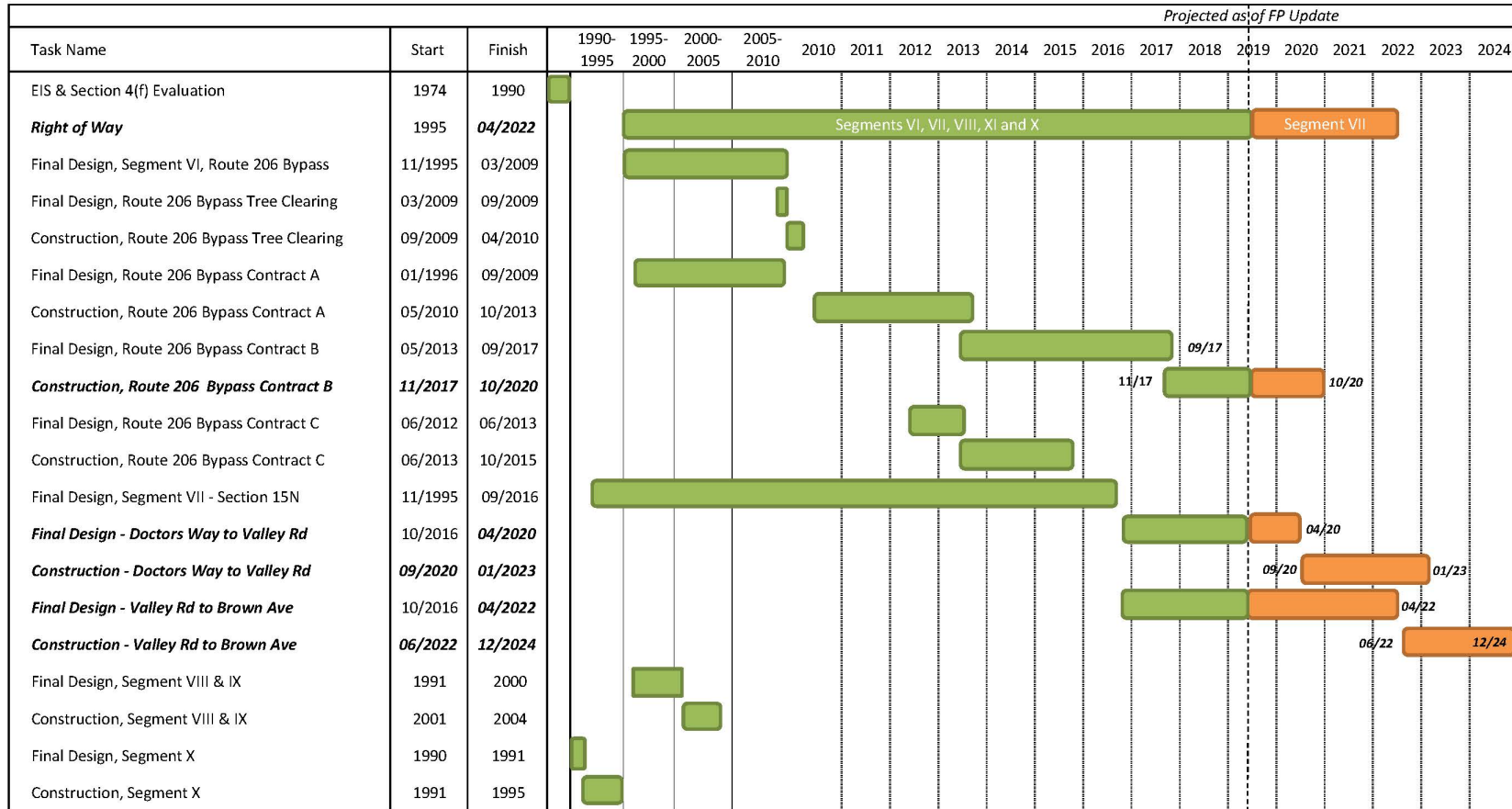
- Advanced acquisition of Right of Way.
- Continued implementation of methods to accelerate construction, including:
 - Advance utility relocations
 - Inclusion of utility relocations in construction contracts
 - High Performance Materials.
 - Prefabricated Construction.
 - Alternate Structure Types.
- Electronic Shop Drawing Review.

- Development of a resource-loaded schedule for the construction contracts and an integrated master schedule for the entire Project.
- Disincentives clauses for construction contract milestones to ensure projects are completed on time.

DRAFT

FIGURE 2.1: Project Implementation Schedule

ROUTE U.S. 206 PROJECT IMPLEMENTATION SCHEDULE



Notes: 1. Work to be completed is shown in **italic bold** font.

Work Completed
Work to be Completed

Section 3.0 Project Cost

3.1 Current Project Estimate

The current estimated cost of the Route U.S. 206 Project is \$452.8 million in year-of-expenditure dollars. Figure 3.1 shows a graphical representation of the Cost Summary for the Route U.S. 206 project for the Initial Cost Estimate, Expenditures to Date, and Cost to Complete. The cost estimate includes all of the completed work to date as shown in Table 3.2 on page 14 as well as Tables 3.3 through 3.8 in Appendix A. The remaining construction costs are divided into the following three (3) Contracts:

- Route U.S. 206 (1990) Bypass Sections 14A & 15A from the vicinity of Existing Route U.S. over Pike Run to Hillsborough Road, and from Amwell Road to Triangle Road, Contract B (Construction)
The remaining portion of the Route U.S. 206 Bypass segment which includes the Route 206 Bypass tie ins to existing Route 206 at Mountain View Road to Hillsborough Road and from north of Amwell Road to Old Somerville Road, including Route U.S. 206 and Triangle Road/Falcon Road intersection modifications. See Table 3.4 in Appendix A for project cost estimate.
- Route 206, Doctors Way to Valley Road (Final Design)
A breakout of “Route 206, Old Somerville Road to Brown Avenue (Section 15N) (Southern section)” will provide congestion relief, and operation and safety improvements. The project will include widening from two lanes to four lanes, revision of three existing traffic signals, replacement of the existing Route U.S. 206 Bridge over Royce Brook Trib. C and the construction of a new bridge carrying realigned Valley Road over Royce Brook Trib. C. The project will be bicycle/pedestrian compatible. See Table 3.5 in Appendix A for project cost estimate.
- Route 206, Valley Road to Brown Ave (Final Design)
A breakout of “Route 206, Old Somerville Road to Brown Avenue (Section 15N) (Northern section)” will provide congestion relief, and operation and safety improvements. The project will include widening from two lanes to four lanes, revision of two existing traffic signals (adding two new jug handles) and replacement of the Norfolk Southern Railroad Bridge over existing Route U.S. 206. The project will be bicycle/pedestrian compatible. See Table 3.5 in Appendix A for project cost estimate.

The estimated costs include the overall cost to build (engineering, Right-of-Way, Public Involvement, inspection and construction). The preliminary design level cost estimates have been escalated to represent year of expenditure dollars. To ensure future costs are reasonable and adequately funded, the NJDOT will annually compare the actual cost incurred to the project cost estimate and adjust the allocations, if needed.

Similar to most large transportation projects, the Route U.S. 206 Project will take a number of years to complete construction. With the advancement of the Contract B in Segment VI into the construction phase in November of 2017, potential unforeseen issues that could impact project costs were already identified and addressed. However, the following factors could still affect project costs in the future for two remaining contracts in Segment VII:

- *Design Changes/Public Input* – As the project design is advanced, Hillsborough Township, Somerset County, Norfolk Southern Railroad and other stakeholders will likely make recommendations to enhance the quality of the Project and/or to mitigate impacts to their communities.

- *Inflation* – With two remaining construction contracts in Segment VII spread over a 7-year period, inflation becomes a major consideration in the overall project cost. If inflation for these contracts exceeds the assumed annual escalation rates (5.0%±), the impact on the project cost could be significant.
- *Contingencies* – Since the two large contracts in Segment VII are in the Final Design Phase, there are possibilities for construction cost increases.

3.2 Cost Estimating Methodology and Assumptions

The Project cost estimates utilized the format and methodology developed by the NJDOT which includes the following major elements of a typical construction project plus project specific elements added as appropriate.

Right-of-Way Acquisition

The cost for Right-of-Way acquisition was derived based on the current cost estimate provided by the NJDOT Right-of-Way Unit.

Construction Cost

Construction cost estimating was based on the bid data costs as provided in the Trns*port Cost Estimating System (CES), which is NJDOT's primary tool for construction cost estimating. Unit costs from the CES were reviewed and adjusted where appropriate due to the size and site specific conditions of the Project. Unit prices based on bid data from other complex projects in New Jersey were also considered. Structural costs were derived from an evaluation of structures built over the past few years on NJDOT projects that are similar to the structure types anticipated for this project.

Utility Relocations

The estimated utility relocations cost is based on the final relocation schemes for Contract B in Segment VI. For Contracts in Segment VII, the estimates are based on a comparison of utility relocation costs from other projects.

Escalation

A 5% escalation rate is used for Segment VII Contracts due to uncertainties of future construction costs.

Construction Inspection

The estimate is based on the assumption that 10% of the construction costs will be required for construction inspection.

Construction Support Services

The estimate is based on the assumption that approximately 5% of the construction costs will be required for construction support services.

Construction Change Orders

The estimate is based on the assumption that 3% of the construction costs will be required for construction change orders.

On the following pages, the Cost Summary Chart along with Cost Estimates Summary for each Segment/phase of the project are presented.

FIGURE 3.1: Cost Estimate Summary Chart

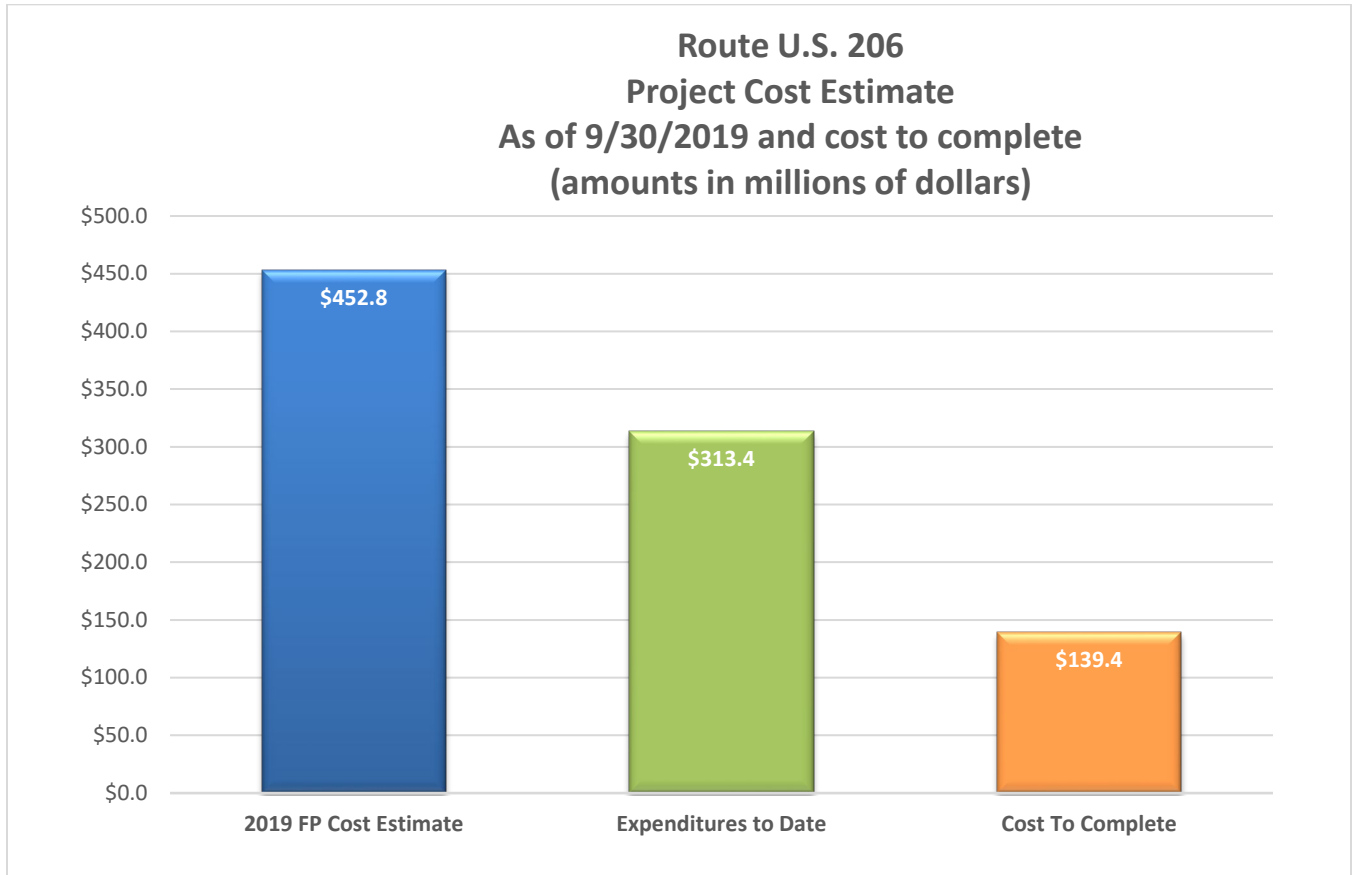


TABLE 3.2: Cost Estimate Summary

As of 9/30/2019 and to complete per Federal Fiscal Year

Phase	2018 Updated FP Cost Estimate	2019 FP Updated Cost	Net Change Since 2018 Estimate	Expenditures to Date (9/30/2019)	Cost To Complete
FEIS & Section 4(f) Evaluation					
Preliminary	\$2,602,379	\$2,602,379	\$0	\$2,602,379	\$0
Planning (PL)	\$6,844	\$6,844	\$0	\$6,844	\$0
Subtotal	\$2,609,223	\$2,609,223	\$0	\$2,609,223	\$0
Segment VI - U.S. 206 Bypass					
Final Design (DES)	\$27,685,344	\$27,814,885	\$129,541	\$27,814,885	\$0
ROW Acquisitions	\$34,964,456	\$34,968,627	\$4,171	\$34,968,627	\$0
Utilities	\$11,115,216	\$9,641,340	(\$1,473,876)	\$9,141,340	\$500,000
Tree and Vegetation	\$312,371	\$312,371	\$0	\$312,371	\$0
Contract A	\$55,535,083	\$55,535,083	\$0	\$55,535,083	\$0
Contract B	\$43,845,253	\$44,806,928	\$961,675	\$29,880,898	\$14,926,031
Contract C	\$7,284,968	\$7,285,456	\$488	\$7,285,456	\$0
Claims (CLM)	\$143,721	\$143,721	\$0	\$143,721	\$0
Subtotal	\$180,886,412	\$180,508,411	(\$378,001)	\$165,082,381	\$15,426,031
Segment VII - 15 N					
Final Design (DES)	\$5,008,272	\$4,968,816	(\$39,456)	\$4,968,816	\$0
ROW Acquisitions	\$8,623,062	\$8,623,062	\$0	\$8,623,062	\$0
Utility Relocations	\$2,169	\$2,169	(\$0)	\$2,169	\$0
Subtotal	\$13,633,503	\$13,594,047	(\$39,456)	\$13,594,047	\$0
Segment VII - Doctors Way to Valley Road					
Final Design (DES)	\$4,047,762	\$5,322,524	\$1,274,762	\$3,564,821	\$1,757,703
ROW Acquisitions	\$5,665,643	\$5,672,069	\$6,426	\$2,273,656	\$3,398,413
Utilities	\$8,586,000	\$5,586,000	(\$3,000,000)	\$72,621	\$5,513,379
Construction (CON)	\$38,250,000	\$43,164,000	\$4,914,000	\$0	\$43,164,000
Subtotal	\$56,549,405	\$59,744,594	\$3,195,189	\$5,911,098	\$53,833,495
Segment VII - Valley Road to Brown Ave					
Final Design (DES)	\$2,500,000	\$4,638,901	\$2,138,901	\$1,436	\$4,637,465
ROW Acquisitions	\$5,000,000	\$5,000,000	\$0	\$0	\$5,000,000
Utility Relocations	\$5,500,000	\$5,500,000	\$0	\$0	\$5,500,000
Construction (CON)	\$46,000,000	\$55,000,000	\$9,000,000	\$0	\$55,000,000
Subtotal	\$59,000,000	\$70,138,901	\$11,138,901	\$1,436	\$70,137,465
Segment VIII and IX - Brown Ave to Somerville Circle (Section 15J)					
Final Design (DES)	\$7,809,493	\$7,809,493	\$0	\$7,809,493	\$0
ROW Acquisitions	\$19,977,688	\$19,977,688	\$0	\$19,977,688	\$0
Utility Relocations	\$14,938,507	\$14,938,507	\$0	\$14,938,507	\$0
Construction (CON)	\$47,714,513	\$47,714,513	\$0	\$47,714,513	\$0
Subtotal	\$90,440,201	\$90,440,201	\$0	\$90,440,201	\$0
Segment X - Somerville Circle (Section 15H)					
Final Design (DES)	\$1,940,610	\$1,940,610	\$0	\$1,940,610	\$0
ROW Acquisitions	\$13,304,971	\$13,304,971	\$0	\$13,304,971	\$0
Utility Relocations	\$1,511,630	\$1,511,630	\$0	\$1,511,630	\$0
Construction (CON)	\$16,668,408	\$16,668,408	\$0	\$16,668,408	\$0
Subtotal	\$33,425,619	\$33,425,619	\$0	\$33,425,619	\$0
Wetlands Mitigation	\$2,359,600	\$2,359,600	\$0	\$2,359,600	\$0
TOTAL PROJECT	\$438,903,963	\$452,820,595	\$13,916,632	\$313,423,605	\$139,396,991

3.3 Cost Containment Strategies

The Department will consider a number of cost containment strategies that may include the following:

- Incentive and Disincentive clauses.
- A thorough review of project risk based upon documented assumptions.

Documented practices for cost forecasting and detailed budget monitoring, combined with reasonable contingencies will be utilized to keep the project costs on target.

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Section 4.0 Project Funds

4.1 Financing the Project

The total funding necessary to complete the Route U.S. 206 Project is currently projected to be \$452.8 Million. There is currently a total of \$419.5 Million of funding identified and/or committed for this project. To address this funding shortfall, the following STIP revisions will be submitted:

- A Construction and Utility Relocation funding shortfall of \$16.75 Million has been identified for the Doctor's Way to Valley Road project and a STIP revision will be requested to increase the Construction phase line item from \$32.00 Million to \$48.75 Million for FFY 2020.
- A ROW funding shortfall of \$5.0 Million and a Utility Relocation funding shortfall of \$5.5 Million has been identified for the Valley Road to Brown Avenue project. STIP revisions to address these ROW and Utility Relocation funding shortfalls will be requested in FFY 2020 and FFY 2021, respectively.
- A Construction and Utility Relocation shortfall of \$9.0 Million has also been identified for the Valley Road to Brown Avenue project. A STIP revision will be requested to increase the Construction phase line item from \$46.0 Million to \$55.0 Million. This STIP revision will provide for \$18.0 Million in FFY 2022, \$18.0 Million in FFY 2023, and \$19.0 Million in FFY 2024.

Although federal regulations require a 4-year STIP, NJDOT produces a 10-year STIP. All of the projects required to complete the Route U.S. 206 Project are shown with the estimated costs in the 10-year STIP. The current NJDOT STIP for this project is included in Appendix C. Any yearly modifications in the STIP/TIP will be reflected in the yearly updates to the Financial Plan. In addition, NJDOT will continually look to accelerate the contracts for this project where feasible within the 10-year program without negatively impacting the ability to deliver other projects that are currently in the program. A summary of the funding by source is presented as follows:

TABLE 4.1: Project Funding for FEIS and Section 4(f) Evaluation

Phase	Funding Source	Allocated
Preliminary Engineering (PE)	Federal	\$1,808,880
	State	\$793,499
Planning (PL)	State	\$6,844
Total Funding		\$2,609,223

TABLE 4.2: Project Funding for Segment VI Route 206 Bypass

Phase	Funding Source	Allocated
Final Design (DES)	State	\$27,814,885
ROW Acquisitions (ROW)	Federal	\$29,976,745
	State	\$4,991,882
Utility Relocations (PUE)	Federal	\$0
	State	\$91,007
Utility Relocations (PUR)	Federal	\$155,453
	State	\$6,871,830
Utility Relocations (PUC)	Federal	\$0
	State	\$5,000,000
Tree and Vegetation Removal	State	\$312,371
Contract A	State	\$55,535,083
Contract B	Federal	\$43,651,955
	State	\$1,154,974
Contract C	State	\$7,285,456
Claims (CLM)	State	\$143,721
Total Funding		\$182,985,362

TABLE 4.3: Project Funding for Segment VII – Route 206, Old Somerville Road to Brown Avenue – Section 15N

Phase	Funding Source	Allocated
Final Design (DES)	Federal	\$4,617,419
	State	\$515,267
ROW Acquisitions (ROW)	Federal	\$469,108
	State	\$8,153,954
Utility Relocations (PUR)	Federal	\$1,978
	State	\$178,522
Total Funding		\$13,936,248

TABLE 4.4: Annual Project Funding for Segment VII – Route 206, Doctor’s Way to Valley Road

Phase	Funding Source	Allocated	FFY 2019	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	Total
Final Design (DES)	Federal	\$4,047,762	\$1,274,762	\$0	\$0	\$0	\$0	\$0	\$5,322,524
ROW	Federal	\$5,665,643	\$0	\$0	\$0	\$0	\$0	\$0	\$5,665,643
	State	\$4,114	\$2,312	\$0	\$0	\$0	\$0	\$0	\$6,426
Utility (PUE)	State	\$86,000	\$0	\$0	\$0	\$0	\$0	\$0	\$86,000
Utility (PUC)	Federal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CON	Federal	\$0	\$0	(1) \$48,750,000	\$0	\$0	\$0	\$0	\$48,750,000
Total Funding		\$9,803,519	\$1,277,074	\$48,750,000	\$0	\$0	\$0	\$0	\$59,830,593

(1) Note: A STIP revision will be submitted to increase the CON funds to \$48,000,000.

TABLE 4.5: Annual Project Funding for Segment VII Route 206, Valley Road to Brown Avenue

Phase	Funding Source	Allocated	FFY 2019	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	Total
Final Design (DES)	Federal	\$0	\$4,637,465	\$0	\$0	\$0	\$0	\$0	\$4,637,465
	State	\$0	\$1,436	\$0	\$0	\$0	\$0	\$0	\$1,436
ROW	Federal	\$0	\$0	(1) \$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000
	State	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UTI	Federal	\$0	\$0	\$0	(2) \$5,500,000	\$0	\$0	\$0	\$5,500,000
CON	Federal	\$0	\$0	\$0	\$0	(3) \$18,000,000	(3) \$18,000,000	(3) \$19,000,000	\$55,000,000
Total Funding		\$0	\$4,638,901	\$5,000,000	\$5,500,000	\$18,000,000	\$18,000,000	\$19,000,000	\$70,138,901

(1) Note: STIP revision will be submitted to add \$5,000,000 for ROW funding.

(2) Note: STIP revision will be submitted to add \$5,500,000 for Utility Relocation.

(3) Note: STIP revision will be submitted to increase the CON funds to \$18,000,000 in FFY2022, \$18,000,000 in FFY 2023, and \$19,000,000 in FFY 2024.

TABLE 4.6: Project Funding for Segment VIII and IX – Brown Ave to Somerville Circle- Section 15J

Phase	Funding Source	Allocated
Final Design (DES)	Federal	\$3,818,242
	State	\$3,991,251
ROW Acquisitions (ROW)	Federal	\$17,493,220
	State	\$2,484,468
Utility Relocations (PUR)	Federal	\$71,537
	State	\$14,866,970
Construction (CON)	State	\$47,714,513
Total Funding		\$90,440,201

TABLE 4.7: Project Funding for Segment X – Somerville Circle- Section 15H

Phase	Funding Source	Allocated
Final Design (DES)	Federal	\$1,586,371
	State	\$354,240
ROW Acquisitions (ROW)	Federal	\$11,213,586
	State	\$2,091,386
Utility Relocations (PUR)	Federal	\$1,281,225
	State	\$230,405
Construction (CON)	Federal	\$14,101,862
	State	\$2,566,546
Total Funding		\$33,425,621

TABLE 4.8: Project Funding for Wetlands- All Projects

Phase	Funding Source	Allocated
Wetlands Mitigation	State	\$2,359,600
Total Funding		\$2,359,600

Section 5.0 Financing Issues

5.1 Financing the Project

The Route U.S. 206 Project is programmed with a combination of federal funds (NHPP, STP, NHS) and state funds and is not utilizing any financing for the funding of the project.

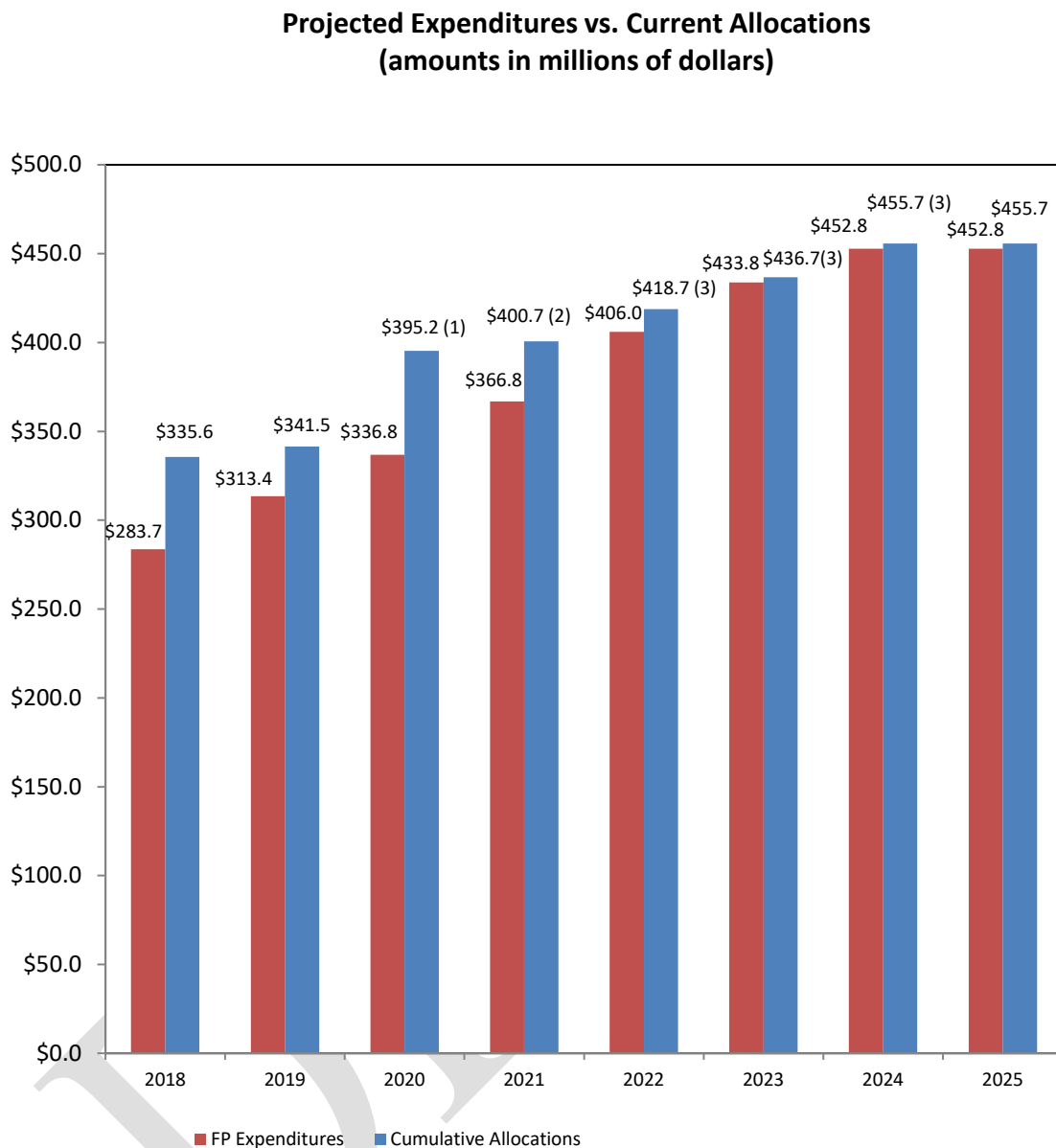
Section 6.0 Cash Flow

6.1 Forecasting Project Cost Compared to Allocations by Fiscal Year

The funding reflected for future Fiscal Years is consistent with the FY 2020-2029 Statewide Transportation Improvement Program (STIP)/TIP. Through the annual 10-year program update, allocations will be adjusted as needed to attempt to match fiscal year expenditures with annual allocations.

Figure 6.1 displays a summary of the projected expenditures versus allocations by year. Actual funds obligated and expenditures are reflected up to September 30, 2019.

FIGURE 6.1: Projected Expenditures vs. Allocations



(1) STIP revision to be submitted to add \$16.75 Million of Construction and Utility Relocation funding for the Route 206 Doctor's Way to Valley Road Project. STIP revision to be submitted to add \$5.0 Million of ROW funding for the Route 206 Valley Road to Brown Avenue Project

(2) STIP revision to be submitted to add \$5.5 Million of Utility Relocation funding for the Route 206 Valley Road to Brown Avenue project.

(3) STIP revision will be submitted to add \$3.0 Million of Construction/Utility Relocation funding for Route 206 Valley Road to Brown Avenue project, in FFY 2022, \$3.0 Million in FFY 2023 and \$3.0 Million in FFY 2024.

Please see the following pages for Cash Flow Table 6.1.

TABLE 6.1: Cash Flow Table

PROJECT EXPENDITURES - DESIGN & CONSTRUCTION																	
DESCRIPTION	CONTRACTS / PHASE DESC.	PHASE	NJDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	Cumulative Total Incurred Through FFY 18	Cumulative FMS Total through FFY 2019	FFY 19	FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	TOTAL EXPENDITURES	
Route US 206 Section [5] Final Environmental Impact Statement (FEIS) & Section 4(f) Evaluation	UPC 960587	PE	1810301	FEDERAL	010000035100	PA20	1,042,210	1,042,210	0							1,042,210	
				STATE			452,963	452,963	0						452,963		
				FEDERAL	032000035100		136,404	136,404	0						136,404		
				STATE			65,201	65,201	0						65,201		
				FEDERAL	073000035100		596,429	596,429	0						596,429		
				STATE			260,640	260,640	0						260,640		
				FEDERAL	124000035100		33,838	33,838	0						33,838		
				STATE			14,694	14,694	0						14,694		
				Sub-Total for 1810301			PA20	2,602,379	2,602,379	0	0	0	0	0	0	2,602,379	
				1810514	STATE		N/A	PA17	6,844	6,844	0						6,844
	Sub-Total for 1810514		PA17	6,844	6,844	0	0	0	0	0	0	0	6,844				
	Sub-Total for 1810514 & Section 4(f)		Subtotal	2,609,223	2,609,223	0	0	0	0	0	0	0	2,609,223				
	Final Design (DES) UPC 960597	FD (DES)	1810524	STATE	N/A	PA17	27,685,344	27,814,885	129,541							27,814,885	
	Right of Way (ROW) UPC 960597	ROW		1810522	Sub-Total for 1810514		PA17	27,685,344	27,814,885	129,541	0	0	0	0	0	0	27,814,885
					STATE	N/A	PA17	4,617,109	4,617,109	0	0	0	0	0	0	0	4,617,109
Sub-Total for 1810522						PA17	4,617,109	4,617,109	0	0	0	0	0	0	0	4,617,109	
FEDERAL					L05E0035152	PA20	1,945,006	1,945,006	0							1,945,006	
STATE							150,000	150,000	0						150,000		
FEDERAL					L0500035152		7,550,611	7,554,389	3,779						7,554,389		
STATE							48,052	48,430	378						48,430		
Sub-Total for 1810528						PA17	15,727,816	15,727,816	0	0	0	0	0	0	0	15,727,816	
STATE						12,314	12,314	0							12,314		
FEDERAL					Q0500035152	4,749,519	4,749,534	14						4,749,534			
STATE		164,028	164,028	0						164,028							
Sub-Total for 1810528		PA17	30,347,347	30,351,518	4,171	0	0	0	0	0	0	30,351,518					
Utilities (PUR & PUE)	PUR		1810533	FEDERAL	Q7600035160	PA20	155,453	155,453	0							155,453	
				STATE			40,000	40,000	0						40,000		
				Sub-Total for 1810533			PA17	195,453	195,453	0	0	0	0	0	0	195,453	
				1810547	STATE		N/A	PA17	91,007	91,007	0						91,007
				Sub-Total for 1810547			PA17	91,007	91,007	0	0	0	0	0	0	91,007	
				1810541	STATE		N/A	PA17	6,651,740	6,651,740	0						6,651,740
				Sub-Total for 1810541			PA17	6,651,740	6,651,740	0	0	0	0	0	0	6,651,740	
				1810540	STATE		N/A	PA17	55,535,083	55,535,083	0						55,535,083
				Sub-Total for 1810540			PA17	55,535,083	55,535,083	0	0	0	0	0	0	55,535,083	
				Contract A (CON, PUR & CLM) UPC 98006	CON			8899333	STATE	N/A	PA17	0	0	0	0	0	0
Sub-Total for 8899333		PA17	0			0			0	0		0	0	0	0	0	

Route US 206 Cash Flow Table

PROJECT EXPENDITURES - DESIGN & CONSTRUCTION																
DESCRIPTION	CONTRACTS / PHASE DESC.	PHASE	NJDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	Cumulative Total Incurred Through FFY 18	Cumulative FMIS Total through FFY 2019	FFY 19	FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	TOTAL EXPENDITURES
FEIS Segment VI - Route 206 Bypass (Mountain View Road to Doctor's Way)	Contract B (CON & PUC) UPC 960597 STIP DB#779	PUC	1810556	STATE	N/A	PA17	38,843	2,023,050	1,984,207	500,000						2,523,050
			Sub-Total for 1810556			PA17	38,843	2,023,050	1,984,207	500,000	0	0	0	0	0	2,523,050
	CON			FEDERAL	RFP90206321		2,945	151,729	148,783	15,260						166,989
				STATE			11	11	0							11
		1810557	FEDERAL	RPS90206321	PA20	21,248	1,204,676	1,183,428	0							1,204,676
			STATE			79	79	0								79
			FEDERAL	Z0010206321		5,777,363	27,383,492	21,606,129	13,407,118	1,489,680						42,280,290
			STATE			94,689	1,140,911	1,046,222	13,973							1,154,884
			Sub-Total for 1810557			PA17	5,896,335	29,880,898	23,984,562	13,436,351	1,489,680	0	0	0	0	44,806,928
	Contract C (CON, PUR & CLM) UPC 133110	PUR	1810545	STATE	N/A	PA17	180,090	180,090	0	0	0	0	0	0	0	180,090
			Sub-Total for 1810545			PA17	180,090	180,090	0	0	0	0	0	0	0	180,090
		CON	1810546	STATE	N/A	PA17	7,284,968	7,285,456	489	0						7,285,456
			Sub-Total for 1810546			PA17	7,284,968	7,285,456	489	0	0	0	0	0	0	7,285,456
Tree Removal (CON) UPC 098006	CLM	8899348	STATE	N/A	PA17	143,721	143,721	0	0						143,721	
		Sub-Total for 8899348			PA17	143,721	143,721	0	0	0	0	0	0	0	143,721	
	CON	1810542	STATE	N/A	PA17	312,371	312,371	0	0						312,371	
		Sub-Total for 1810542			PA17	312,371	312,371	0	0	0	0	0	0	0	312,371	
FEIS Segment VII Route 206 Section 15N - (Doctor's Way to Brown Avenue)	Section 15N - Final Design (DES) UPC 960605	FD (DES)	FEIS SEGMENT VI (Route 206 Bypass) Sub-Total				138,979,410	165,082,381	26,102,971	13,936,351	1,489,680	0	0	0	180,508,412	
			FEDERAL	H0500035149			22,250	22,225	(25)						22,225	
			STATE				19	19	0						19	
			FEDERAL	L0500035149			36,972	39,045	2,073						39,045	
			STATE				36	36	0						36	
			FEDERAL	Q0500035149	PA20		1,577,651	1,580,115	2,464						1,580,115	
	Section 15N - Right of Way (ROW) UPC 960605	ROW	FEDERAL	31500035149			272,601	272,889	288							272,889
			STATE				2,676,536	2,674,350	(2,186)						2,674,350	
			FEDERAL	31700035149			226,906	226,906	0						226,906	
			STATE				137,774	137,779	4						137,779	
			FEDERAL				15,443	15,453	10						15,453	
			Sub-Total for 1810520			PA20	4,966,188	4,968,816	2,628	0	0	0	0	0	4,968,816	
				FEDERAL	L0500035153			0	0	0	0	0	0	0	0	0
	STATE				0	0	0	0	0	0	0	0	0			
	1801529	FEDERAL	Q0500035153	PA20		0	0	0	0	0	0	0	0	0		
	STATE				0	0	0	0	0	0	0	0	0	0		
	FEDERAL	17700035153			469,108	469,108	0							469,108		
	STATE				330	330	0							330		
	Sub-Total for 1810529			PA17	469,438	469,438	0	0	0	0	0	0	0	0	469,438	
	1810530	STATE	N/A	PA17	8,153,624	8,153,624	0								8,153,624	
	Sub-Total for 1810530			PA17	8,153,624	8,153,624	0	0	0	0	0	0	0	0	8,153,624	

Route US 206 Cash Flow Table

PROJECT EXPENDITURES - DESIGN & CONSTRUCTION																	
DESCRIPTION	CONTRACTS / PHASE DESC.	PHASE	NIDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	Cumulative Total Incurred Through FFY 18	Cumulative FMIS Total through FFY 2019	FFY 19	FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	TOTAL EXPENDITURES	
FEIS Segment VII Route 206, Valley Road to Brown Avenue UPC 960605	Section 15N - Utility (PUR) UPC 960605	PUR	1810525	FEDERAL	33D00035150	PA20	1,978	1,978	0							1,978	
				STATE				191	191	0						191	
			Sub-Total for 1810525				PA17	2,169	2,169	0	0	0	0	0	0	0	2,169
		FD (DES)				FEDERAL	L12R0206312	PA20	0	188,367	188,367	1,086,395					1,274,762
						STATE			0	0	0						0
			1810551	FEDERAL	M24E0206312	PA20	1,981,562	3,376,454	1,394,892	671,308							4,047,762
						STATE		0	0	0							0
		Sub-Total for 1810551				PA17	1,981,562	3,564,821	1,583,259	1,757,703	0	0	0	0	0	0	5,322,524
		ROW	1810552	FEDERAL	M24E0206313	PA20	320,214	2,267,230	1,947,016	3,398,413							5,665,643
				STATE			4,114	6,426	2,312								6,426
			Sub-Total for 1810552				PA17	324,328	2,273,656	1,949,328	3,398,413	0	0	0	0	0	5,672,069
		PUE	1810555	STATE	N/A	PA17	3,348	72,621	69,273	13,379							86,000
			Sub-Total for 1810555				PA17	3,348	72,621	69,273	13,379	0	0	0	0	0	86,000
			PUC	TBD	FEDERAL	TBD	PA20	0	0	0	200,000	2,900,000	2,400,000				
				STATE			0	0	0	0	0	0	0	0	0	0	0
		Sub-Total for 1810XXX				PA17	0	0	0	200,000	2,900,000	2,400,000	4,350,000	4,350,000	0	0	43,164,000
Route 206, Valley Road to Brown Avenue UPC 108021 STIP DB# 780A	DES		1810549	FEDERAL	Z0010206327	PA20	0	1,436	1,436	1,650,000	2,000,000	470,481				4,120,481	
				STATE			1,436								1,436		
				FEDERAL	17700206327	PA20	0	516,984	0	200,000	200,000	116,984				516,984	
			STATE			0	0	0	0	0	0	0	0	0	0	0	
		Sub-Total for 1810549				PA20	0	518,420	1,436	1,850,000	2,200,000	587,465	0	0	0	4,638,901	
		ROW	TBD	FEDERAL	TBD	PA20	0	0	0	5,000,000							5,000,000
				STATE			0	0	0	0	0	0	0	0	0	0	0
			Sub-Total for 1810XXX				PA17	0	0	0	0	5,000,000					5,000,000
		PUC	1810558	FEDERAL	TBD	PA20	0	0	0	5,500,000				5,500,000			5,500,000
				STATE			0	0	0	0	0	0	0	0	0	0	0
Sub-Total for 1810558				PA17	0	0	0	0	0	0	5,500,000			5,500,000			
CON	TBD	FEDERAL	TBD	PA20	0	0	0	18,000,000	18,000,000	19,000,000					55,000,000		
		STATE			0	0	0	0	0	0	0	0	0	0	0		
	Sub-Total for 1810XXX				PA17	0	0	0	3,605,924	9,394,495	28,569,000	39,157,465	27,850,000	19,000,000	0	143,477,540	
	FD		FEIS SEGMENT VII (Route 206 Section 15N) Sub-Total				15,900,656	20,023,564	3,605,924	9,394,495	28,569,000	39,157,465	27,850,000	19,000,000	0	143,477,540	
				FEDERAL	31500035129	PA20	640,800	640,800	0							640,800	
				STATE			3,408,941	3,408,941	0							3,408,941	
			1810506	FEDERAL	17700035129	PA20	3,177,442	3,177,442	0							3,177,442	
				STATE			582,310	582,310	0							582,310	
FEIS Segments			Sub Total For 1810506				7,809,493	7,809,493	0	0	0	0	0	0	7,809,493		

Route US 206 Cash Flow Table

PROJECT EXPENDITURES - DESIGN & CONSTRUCTION																		
DESCRIPTION	CONTRACTS / PHASE DESC.	PHASE	NJDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	Cumulative Total Incurred Through FFY 18	Cumulative FMIS Total Through FFY 2019	FFY 19	FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	TOTAL EXPENDITURES		
VIII & IX Route 206 Section 15J (Brown Ave to Somerville Circle)	UPC 960602	ROW	1810517	FEDERAL	17700035143	PA20	4,065,080	4,065,080	0							4,065,080		
				STATE			63,257	63,257	0						63,257			
				FEDERAL	31500035143	PA20	13,428,140	13,428,140	0							13,428,140		
				STATE			47,837	47,837	0							47,837		
			Sub Total For 1810517				PA 17	17,604,314	17,604,314	0	0	0	0	0	0	0	17,604,314	
			1810527	STATE	N/A	PA 17	2,373,374	2,373,374	0								2,373,374	
		Sub Total For 1810527				PA 17	2,373,374	2,373,374	0	0	0	0	0	0	0	2,373,374		
		PUR		1810510	FEDERAL	17700035136	PA20	71,537	71,537	0								71,537
					STATE			12,624	12,624	0							12,624	
				Sub Total For 1810510				PA 17	84,161	84,161	0	0	0	0	0	0	0	84,161
		CON		1810532	STATE	N/A	PA 17	14,854,346	14,854,346	0								14,854,346
					Sub Total For 1810532				PA 17	14,854,346	14,854,346	0	0	0	0	0	0	14,854,346
				1810531	STATE	N/A	PA 17	47,714,513	47,714,513	0								
Sub Total For 1810531					PA 17	47,714,513	47,714,513	0	0	0	0	0	0	0	47,714,513			
FEIS SEGMENTS VIII & IX (Route 206 Section 15J) Subtotal						90,440,201	90,440,201	0	0	0	0	0	0	0	0	90,440,201		
FEIS Segment X Route 206 Section 15H (Somerville Circle)	UPC 960601	FD (DES)	1805501	FEDERAL	17700035135	PA20	0	0	0	0	0	0	0	0	0	0	0	
				STATE			13,246	13,246	0							13,246		
			Sub Total For 1805501				PA 20	13,246	13,246	0	0	0	0	0	0	0	13,246	
			8710508	FEDERAL	17700035125	PA20	1,586,371	1,586,371	0									1,586,371
				STATE			340,994	340,994	0									340,994
			Sub Total For 8710508				PA 20	1,927,365	1,927,365	0	0	0	0	0	0	0	0	1,927,365
		ROW	1808503	FEDERAL	17700035127	PA20	11,213,586	11,213,586	0									11,213,586
				STATE			2,091,386	2,091,386	0									2,091,386
			Sub Total For 1808503				PA 17	13,304,971	13,304,971	0	0	0	0	0	0	0	0	13,304,971
		UTI	1810504	FEDERAL	17700035126	PA20	1,281,225	1,281,225	0									1,281,225
				STATE			230,405	230,405	0									230,405
			Sub Total For 1808504				PA 17	1,511,630	1,511,630	0	0	0	0	0	0	0	0	1,511,630
		CON	1810505	FEDERAL	17700035126	PA20	14,101,862	14,101,862	0									14,101,862
STATE					2,566,546	2,566,546	0									2,566,546		
Sub Total For 1808505				PA 17	16,668,408	16,668,408	0	0	0	0	0	0	0	0	16,668,408			
FEIS SEGMENT X (Route 206 Section 15H) Sub-Total						33,425,619	33,425,619	0	0	0	0	0	0	0	0	33,425,619		
Route 206 Wetlands Mitigation	UPC 023480	MIT	1416510	STATE	N/A	PA17	2,359,600	2,359,600	0							2,359,600		
				Sub Total For 1416510				PA 17	2,359,600	2,359,600	0	0	0	0	0	0	2,359,600	
		Route 206 Wetlands Mitigation Sub-Total						2,359,600	2,359,600	0	0	0	0	0	0	0	2,359,600	
TOTAL PROJECT EXPENDITURES (Annual)																		
TOTAL PROJECT EXPENDITURES (Cumulative)																		

Route US 206 Cash Flow Table

AVAILABLE FY FUNDING ALLOCATIONS																		
DESCRIPTION	CONTRACTS / PHASE DESC.	PHASE	NIDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	FFY 18	2019 FMIS	FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	TOTAL ALLOCATIONS			
Route US 206 Section [5] Final Environmental Impact Statement (FEIS) & Section 4(f) Evaluation	UPC 960587	PE	1810301	FEDERAL	01000035100	PA20	1,042,210	0							1,042,210			
				STATE			452,963	0						452,963				
				FEDERAL	03200035100		136,404	0						136,404				
				STATE			65,201	0						65,201				
				FEDERAL	07300035100		596,429	0						596,429				
				STATE			260,640	0						260,640				
				FEDERAL	12400035100		33,838	0						33,838				
				STATE			14,694	0						14,694				
				Sub-Total for 1810301					2,602,379	0	0	0	0	0	0	0	2,602,379	
				1810514	N/A		PA17	6,844	0									6,844
Sub-Total for 1810514					6,844	0	0	0	0	0	0	0	0	6,844				
Route US 206 Section [5] FEIS & Section 4(f) Sub-Total																		
FEIS Segment VI - Route 206 Bypass (Mountain View Road to Doctor's Way)	Right of Way (ROW) UPC 960597	ROW	1810528	FD (DES)	N/A	PA17	27,685,344	129,541							27,814,885			
				Sub-Total for 1810524				PA17	27,685,344	129,541	0	0	0	0	0	27,814,885		
				STATE	N/A	PA17	4,617,109	0								4,617,109		
				Sub-Total for 1810522				PA 17	4,617,109	0	0	0	0	0	0	4,617,109		
				FEDERAL	L05E0035152		2,000,000	(54,994)								1,945,006		
				STATE			160,000	(10,000)								150,000		
				FEDERAL	L0500035152		8,349,000	(794,611)								7,554,389		
				STATE			50,000	(1,570)								48,430		
				FEDERAL	Q0500035152		15,770,000	(42,184)								15,727,816		
				STATE			30,000	(17,686)								12,314		
Sub-Total for 1810528					4,930,000	(180,466)							4,749,534					
Sub-Total for 1810528					164,028	(0)							164,028					
Sub-Total for 1810528					31,453,028	(1,101,510)	0	0	0	0	0	0	0	30,351,518				
Contract A (CON, PUR & CLM) UPC 98006	Utility (PUR & PUE)	PUR	1810533	FEDERAL	Q7600035160	PA20	155,453	0							155,453			
				STATE		PA20	40,000	0						40,000				
		Sub-Total for 1810533				PA20	195,453	0	0	0	0	0	0	195,453				
		PUE	1810547	STATE	N/A	PA17	91,007	0							91,007			
				Sub-Total for 1810547				PA17	91,007	0	0	0	0	0	91,007			
		PUR	1810541	STATE	N/A	PA17	6,651,740								6,651,740			
				Sub-Total for 1810540				PA17	6,651,740	0	0	0	0	0	6,651,740			
		CON	1810540	STATE	N/A	PA17	55,535,083									55,535,083		
				Sub-Total for 1810541				PA17	55,535,083	0	0	0	0	0	0	55,535,083		
		CLIM	8899333	STATE	N/A		0									0		
Sub-Total for 8899333				PA17	0	0	0	0	0	0	0	0						
PUC	1810556	STATE	TBD		0									5,000,000				
		Sub-Total for 1810556				PA20	5,000,000	0	0	0	0	0	0	5,000,000				
Contract B (CON) UPC 960597	Contract B	1810557	FEDERAL	RPF90206321	PA20	166,989	0								166,989			
			State	11		0						11						
			FEDERAL	RP590206321		1,204,676	0							1,204,676				

Route US 206 Cash Flow Table

AVAILABLE FY FUNDING ALLOCATIONS																
DESCRIPTION	CONTRACTS / PHASE DESC.	PHASE	NIDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	FFY 18	2019 FMIS	FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	TOTAL ALLOCATIONS	
FEIS Segment VI - Route 206 Bypass (Mountain View Road to Doctor's Way)				State			79	0							79	
				FEDERAL	Z0010206321		41,470,823	809,467							42,280,290	
				State			1,002,675	152,209							1,154,884	
				Sub-Total for 1810557		PA20	43,845,253	961,676	0	0	0	0	0	0	44,806,929	
	Contract C (CON, PUR & CLM) UPC 133110	PUR		1810545	STATE	N/A	PA17	180,090	0							180,090
				Sub-Total for 1810545		PA17	180,090	0	0	0	0	0	0	0	180,090	
		CON		1810546	STATE	N/A	PA17	7,284,968	488							7,285,456
				Sub-Total for 1810546		PA17	7,284,968	488	0	0	0	0	0	0	7,285,456	
	Tree Removal (CON) UPC 098006	CLM		8899348	STATE	N/A	PA17	143,721	0							143,721
				Sub-Total for 8899333		PA17	143,721	0	0	0	0	0	0	143,721		
1810542				STATE	N/A	PA17	312,371	0						312,371		
Sub-Total for 1810542					PA17	312,371	0	0	0	0	0	0	312,371			
			FEIS SEGMENT VI (Route 206 Bypass) Sub-Total			182,995,168	(9,805)	0	0	0	0	0	0	182,985,362		
FEIS Segment VII Route 206 Section 15N (Doctor's Way to Brown Avenue)	Section 15N - Final Design (DES) UPC 960605	FD (DES)	1810520	FEDERAL	H0500035149		32,259	0							32,259	
				STATE			19	0						19		
				FEDERAL	L0500035149		61,444	0						61,444		
				STATE			0	0						0		
				FEDERAL	Q0500035149	PA20	1,585,212	0						1,585,212		
				STATE			272,601	288						272,889		
				FEDERAL	31500035149		2,800,688	0						2,800,688		
				STATE			226,906	0						226,906		
				FEDERAL	31700035149		137,816	0						137,816		
				STATE			15,443	10						15,453		
	Sub-Total for 1810520		PA20	5,132,388	298	0	0	0	0	0	0	5,132,686				
	Section 15N - Right of Way (ROW) UPC 960605	ROW	1801529	FEDERAL	L0500035153		0	0								0
				STATE			0	0							0	
				FEDERAL	Q0500035153	PA20	0	0							0	
				STATE			0	0							0	
				FEDERAL	17700035153		469,108	0							469,108	
				STATE			330	0							330	
				Sub-Total for 1801529		PA20	469,438	0	0	0	0	0	0	0	469,438	
				1810530	STATE	N/A	PA17	8,153,624	0						8,153,624	
Sub-Total for 1801530					PA17	8,153,624	0	0	0	0	0	0	8,153,624			
Section 15N - Utility (PUR) UPC 960605	PUR	1810525	FEDERAL	33000035150	PA20	1,978								1,978		
			STATE			178,522							178,522			
			Sub-Total for 1801525		PA17	180,500	0	0	0	0	0	0	180,500			
FD (DES)		1810551	FEDERAL	L12R0206312	PA20	0	1,274,762							1,274,762		
			STATE			0	0						0			
			FEDERAL	M24E0206312	PA20	4,047,762	0						4,047,762			
			STATE			0	0						0			
Sub-Total for 1801551					PA17	4,047,762	1,274,762	0	0	0	0	0	5,322,524			

Route US 206 Cash Flow Table

AVAILABLE BY FUNDING ALLOCATIONS																		
DESCRIPTION	CONTRACTS / PHASE DESC.	PHASE	NIDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	FFY 18	2019 FMIS	FFY 20	FFY 21	FFY 22	FFY 23	FFY 24	FFY 25	TOTAL ALLOCATIONS			
FEIS Segment VII Route 206 Section 15N (Doctor's Way to Brown Avenue)	Route 206, Doctor's Way to Valley Road UPC 108022 STIP DB#780B	ROW	1810552	FEDERAL	M24E0206313	PA20	5,665,643	0							5,665,643			
				STATE			4,114	2,312						6,426				
		PUE	Sub-Total for 1801552			PA17	5,669,757	2,312	0	0	0	0	0	0	0	5,672,069		
			1810555	STATE	N/A	PA17	86,000	0								86,000		
		PUC	Sub-Total for 1801555			PA17	86,000	0	0	0	0	0	0	0	0	86,000		
			TBD	FEDERAL			0	0								0		
				STATE			0	0								0		
		CON	Sub-Total for 1810XXX			PA17	0	0	0	0	0	0	0	0	0	0	0	
			TBD	FEDERAL		PA20	0	0	48,750,000	0							48,750,000	
				STATE			0	0								0		
Route 206, Valley Road to Brown Avenue UPC 108021 STIP DB# 780A	Route 206, Valley Road to Brown Avenue UPC 108021 STIP DB# 780A	DES	Sub-Total for 1810XXX			PA17	0	0	48,750,000	0	0	0	0	0	48,750,000			
				FEDERAL	Z0010206327	PA20	0	4,120,481	0						4,120,481			
			1810549	STATE			0	1,436								1,436		
				FEDERAL	1770020637	PA20	0	516,984								516,984		
			Sub-Total for 1810549			PA17	0	0								0		
				FEDERAL			0	4,638,901	0	0	0	0	0	0	0	4,638,901		
		ROW		STATE			0	0	5,000,000							5,000,000		
			Sub-Total for 1810XXX			PA17	0	0	5,000,000	0	0	0	0	0	0	5,000,000		
		UTI	1810558	FEDERAL		PA20	0	0		5,500,000							5,500,000	
				STATE			0	0									0	
FEIS Segments VIII & IX Route 206 Section 15J (Brown Avenue to Somerville Circle)	UPC 960602	FD	Sub-Total for 1810558			PA17	0	0	0	5,500,000	0	0	0	0	5,500,000			
				FEDERAL		PA20	0	0			18,000,000	18,000,000	19,000,000		55,000,000			
		CON		STATE			0	0								0		
			Sub-Total for 1810XXX			PA17	0	0	0	0	0	0	0	0	0	55,000,000		
		FEIS Segment VIII & IX Route 206 Section 15J (Brown Avenue to Somerville Circle)	UPC 960602	FD	Sub-Total for 1810XXX			PA17	23,739,469	5,916,272	53,750,000	5,500,000	18,000,000	18,000,000	19,000,000	0	143,905,742	
						FEDERAL			640,800								640,800	
					1810506	STATE	31500035129	PA20	3,408,941									3,408,941
						FEDERAL	17700035129	PA20	3,177,442									3,177,442
				ROW	Sub-Total for 1810506			PA17	582,310	0	0	0	0	0	0	0	0	582,310
						FEDERAL			7,809,493	0	0	0	0	0	0	0	0	7,809,493
	Sub-Total for 1810517				PA17	4,065,080									4,065,080			
				STATE	17700035143	PA20	63,257									63,257		
	1810517			FED	31500035143		13,428,140										13,428,140	
				STATE			47,837										47,837	
FEIS Segment VIII & IX Route 206 Section 15J (Brown Avenue to Somerville Circle)	UPC 960602	ROW	Sub-Total for 1810517			PA17	17,604,314	0	0	0	0	0	0	0	17,604,314			
				STATE	N/A	PA17	2,373,374								2,373,374			
			Sub-Total for 1810527			PA17	2,373,374	0	0	0	0	0	0	0	0	2,373,374		
				FEDERAL	17700035136	PA20	71,537									71,537		
		PUR	1810510	STATE			12,624									12,624		
			Sub-Total for 1810510			PA17	84,161	0	0	0	0	0	0	0	0	84,161		
			Sub-Total for 1810510			PA17	84,161	0	0	0	0	0	0	0	0	84,161		
				FEDERAL			0	0	0	0	0	0	0	0	0	0		
			Sub-Total for 1810510			PA17	84,161	0	0	0	0	0	0	0	0	84,161		
				STATE			0	0	0	0	0	0	0	0	0	0		

Route US 206 Cash Flow Table

AVAILABLE FY FUNDING ALLOCATIONS																
DESCRIPTION	CONTRACTS / PHASE DESC.	PHASE	NIDOT PROJECT REF. #	SOURCE	FEDERAL AGREEMENT	REFERENCES	FY 18	2019 FMIS	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	TOTAL ALLOCATIONS	
FEIS Segment X Route 206 Section 15H (Somerville Circle)		CON	1810532	STATE	N/A	PA17	14,854,346								14,854,346	
			Sub-Total for 1810532			PA17	14,854,346	0	0	0	0	0	0	0	14,854,346	
			1810531	STATE	N/A	PA17	47,714,513								47,714,513	
			Sub-Total for 1810531			PA17	47,714,513	0	0	0	0	0	0	0	47,714,513	
			FEIS SEGMENTS VIII & IX (Route 206 Section 15J) Sub-Total				90,440,201	0	0	0	0	0	0	0	90,440,201	
	UPC 960601	FD (DES)	1805501	FEDERAL	17700035135	PA20	0									0
				STATE		13,246									13,246	
			Sub-Total for 1805501			PA20	13,246	0	0	0	0	0	0	0	13,246	
			8710508	FEDERAL	17700035125	PA20	1,586,371									1,586,371
				STATE		340,994										340,994
		Sub-Total for 8710508			PA 17	1,927,365	0	0	0	0	0	0	0	0	1,927,365	
		ROW	1808503	FEDERAL	17700035127	PA20	11,213,586									11,213,586
				STATE		2,091,386									2,091,386	
				Sub-Total for 1808503			PA17	13,304,972	0	0	0	0	0	0	0	13,304,972
		UTI	1808504	FEDERAL	17700035126	PA20	1,281,225									1,281,225
STATE				230,405										230,405		
CON	Sub-Total for 1805504			PA 17	1,511,630	0	0	0	0	0	0	0	0	0	1,511,630	
	1808505	FEDERAL	17700035134	PA20	14,101,862										14,101,862	
		STATE		2,566,546											2,566,546	
	Sub-Total for 1805505			PA 17	16,668,408	0	0	0	0	0	0	0	0	0	16,668,408	
	FEIS SEGMENT X (Route 206 Section 15H) Sub-Total				33,425,621	0	0	0	0	0	0	0	0	0	33,425,621	
Route 206 Wetlands Mitigation	UPC 023480	ROW	1416510	STATE	N/A	PA17	2,359,600	0	0	0					2,359,600	
		Sub-Total for 1416510			PA17	2,359,600	0	0	0	0	0	0	0	2,359,600		
	Route 206 Wetlands Mitigation Sub-Total				2,359,600	0	0	0	0	0	0	0	0	0	2,359,600	
TOTAL PROJECT FUNDING (Annual)							335,569,281	5,906,467	53,750,000	5,500,000	18,000,000	18,000,000	19,000,000	0	455,725,748	
TOTAL PROJECT FUNDING (Cumulative)							335,569,281	341,475,748	395,225,748	400,725,748	418,725,748	436,725,748	455,725,748	455,725,748	455,725,748	
CUMULATIVE BUDGET SURPLUS (DEFICIT)							51,854,571	28,052,144	58,471,298	33,912,620	12,755,155	2,905,155	2,905,155	2,905,155	2,905,155	

Section 7.0 P3 Assessment

7.1 Public Private Partnership P3 Issues

Effectiveness to Leverage the Revenue Stream for the Project

The current project does not result in a revenue stream for the State of New Jersey. Potential revenue streams such as tax increment financing (TIF) or tolling are not feasible. The only options for a revenue stream from the Route 206 project would be from taxes on new development potential from the project or from tolling the facility. The project does not introduce any new development potential so this is not a viable revenue stream. Currently, the Route 206 corridor is not tolled. The potential for tolling Route 206 would have significant public opposition.

With the total project cost over \$100 Million, the needed investment versus potential return does not appear lucrative for a public private partnership. The ability to attract investors is very low.

State-level Legislative Authorizations

NJ legislation has approved public private partnerships. While some state agencies do allow for this type of procurement, the NJDOT does not have any plan to utilize this type of funding mechanism.

Concluding Statement

The Route U.S. 206 Project is not a viable candidate for a P3 delivery model as the project is significantly advanced, enabling legislation is not in place, there is no revenue stream and tolling would induce significant public opposition.

Section 8.0 Risk and Response Strategies

8.1 Risk Factors

The NJDOT is responsible to deliver the Project on time and at a reasonable cost. There are many challenges that may be encountered in delivering such a large and complex project that could have an impact on the Project both operationally and functionally. This section of the Financial Plan addresses the funding plan for this project, identifies risks that could impact this plan, and outlines mitigation measures to provide reasonable assurance that funds will be available to deliver the project through construction.

Risk identification and mitigation planning are an essential part of this Financial Plan. These components are critical to the successful completion of this project. Project risk may be technical, operational, management or resource-based and within or beyond the control of the project team. The NJDOT has a vested interest in the establishment of policies and programs addressing risk management, while at the same time, not sacrificing safety. NJDOT manages risk during the design by identifying potential risks early, developing strategic mitigation plans, establishing impact contingencies, communicating frequently and tracking progress.

The magnitude and complexity of the Route U.S. 206 Project deserves serious consideration towards the allocation and management of risk. The NJDOT is firmly convinced that effective management of risk is one way to increase the chances of delivering a successful project on time and within budget without sacrificing quality or safety.

8.1.1 – Design and Construction Cost Increase Risks

1. ROW Availability – As stated previously in this report, there are several ROW acquisitions necessary in Segment VII for the advancement of this project. The potential risk lies in the possible delay to construction if the ROW required for a specific contract is not available prior to advertisement.

Mitigation Options:

- Continue negotiations with each property owner.
 - Secure ROW in advance of contract award.
2. Permits – Permits required for the Contract B construction in Segment VI are secured. Multiple environmental permits are required for Contracts in Segment VII. Early and continuous coordination with the regulatory agencies since the EIS phase should make this a low risk item.

Mitigation Options:

- Secure permits in advance of construction operations.
 - Maintain ongoing coordination with the NJDEP.
3. Utility Coordination – Relocation of existing utilities is a risk that can adversely affect the schedule and scope. Relying on work to be performed by other entities which are not under the control of the NJDOT or the Contractor can have an adverse effect on the schedule in both design and construction. The potential risks lie in the availability of funds for utility work, complexity of managing three remaining contracts, and the scheduling and execution of the remaining utility agreements.

Mitigation Options:

- Identify all activities being performed by others required to complete the project and closely monitor schedules to have work completed in advance of need.
 - Look for opportunities for advance utility relocations.
 - Provide allowance in the contract packages into which these activities fall.
 - Develop a clear schedule for work by outside parties.
4. Tight Work Areas/Accelerated Construction – The reconstruction of the existing roadway and bridges will require construction stages and will often require the contractor to be working in restricted work zone areas. In addition, to minimize impact on the travelling public, many of the critical stages will need to be done on an accelerated schedule. Traffic Control Plans have been developed in concert with the construction schedule, which may require night-time and weekend work, and work during the winter months. In addition, multiple crews will be required during many stages of construction. All of the above could lead to delays and claims.

Mitigation Options:

- Well-coordinated staging and construction schedules.
 - Specific wording in the Plans and Special Provisions to alert the contractor to such conditions before making his bid.
 - Include Contract milestones in the Special Provisions.
 - Disincentive clauses will be identified for specific stages/milestones of construction.
5. Final Design funding for the remaining contracts, as additional design funding may be necessary.

Mitigation Options:

- Discussions have been held with FHWA on grandfathering current design standards if future changes in standards would significantly impact the project.
6. The design of the Segment VII contracts are in the Final Design phase, so there are some outstanding design issues to be resolved. This has the potential to increase construction cost in these contracts.

Mitigation Options:

- Use lessons learned from earlier contracts to keep costs down in later contracts.
7. Construction change orders could increase the overall cost of the project.

Mitigation Options:

- Control scope creep. Ensure changes are absolutely necessary.

8.2 Financial Risks

The financial risks for construction completion fall under two broad risk categories: cost increase risks and revenue sufficiency risks. Cost increase risks include such items as fuel price increases and unknown site conditions whereas revenue sufficiency risks are comprised of funding availability and funding delays.

8.2.1 – Cost Increase Risks

Risk that bids will exceed program funding levels for construction:

Funding for construction represents approximately 59% of the total project cost; therefore a significant increase in construction costs would impact the program and require a shift in funds from another project or delay the Project. To mitigate the risk of receiving high bids, NJDOT will consider the following strategy:

- Continue to plan for contingency funds to address this risk.

Risk that unanticipated site conditions will increase project cost:

Construction projects of all types and sizes will inevitably encounter unanticipated site conditions. To minimize this possibility and the subsequent cost increases, the following mitigation strategies were utilized.

- An in-depth subsurface investigation program was performed to obtain soil data and develop foundation design criteria.
- In order to more accurately define the horizontal and vertical location of underground utilities, a subsurface utility engineering contractor was utilized.

Risk that unanticipated fuel price increases will increase project cost:

In order to mitigate the risk that fuel price increases will increase the project cost, the bid proposal can include a lump sum line item to provide compensation to the contract holder for fluctuations in the fuel price over the life of the project. Using the award date as the base point, fuel price adjustments can be paid monthly during months when fuel prices change by 5% or more. During periods of decline in the fuel price, the state will be compensated and likewise during periods of increase, the Contractor will be compensated. Compensation will be made through the use of a weighted formula provided in the specifications.

The NJDOT estimates the total fuel price adjustment by multiplying a pro-rated volume of the fuel intensive construction activities by the duration of project times 10% inflation per year. Assuming the actual increases stay within this estimate, no additional project costs will be realized. According to the

specifications, should the fuel price adjustment exceed 50%, fuel intensive construction activities are to cease pending approval by the NJDOT Resident Engineer.

8.2.2 – Revenue Sufficiency Risks

The Project Financing section of this plan outlines National Highway Performance Program (NHPP) funds as the current primary funding source for this project. The funding plan extends over nine years starting in Federal Fiscal Year 2016 and ending in Federal Fiscal Year 2024.

Major Financing Risks

There are several major financing risks associated with this project's funding plan.

- Risk that a new Federal surface transportation funding authorization is not in place at the end of Federal Fiscal Year 2020 to replace the current Fixing America's Surface Transportation Act (FAST), which expires Federal Fiscal Year 2020.

The NJDOT assumes that should a new Federal surface transportation funding authorization not be in place by the end of Federal Fiscal Year 2020, Congress and the President would authorize Continuing Resolutions to ensure that projects such as the Route U.S. 206 are not impacted, until such time that a new bill is in place.

- Risk that costs increase due to change orders during construction.

Typically, the NJDOT funds change orders through supplemental federal authorizations or through a State funded Unanticipated Design, Right-of-Way and Construction Expenses line item. Funding change orders through supplemental authorizations may utilize releases from federal obligations or if necessary may take obligation authority from current programmed unobligated federal items.

- Risk of funding shortfall for Route 206 Doctor's Way to Valley Road and Valley Road to Brown Avenue projects (see Cash Flow Table, p. 21-28) through continuing resolutions.

Responsibilities

The NJDOT Division of Capital Investment & Program Coordination is responsible for developing the State Capital Plan and federal Statewide Transportation Improvement Program (STIP), both of which will provide funding for this project. NJDOT will work in conjunction with the North Jersey Transportation Planning Authority to develop the region's portion of the STIP. The North Jersey Transportation Planning Authority is the federally designated Metropolitan Planning Organization for 13 counties in the northern part of New Jersey that includes Somerset County.

It is critical that these organizations continue to work cooperatively to help ensure that an adequate amount of funding is programmed and made available for this project.

The NJDOT Capital Program Management area is responsible for management of project construction activities, identifying project cost increase risks, and implementing containment strategies to keep costs from inflating.

Any changes in planned funding needs must be raised by the NJDOT Capital Project Management area to the NJDOT Capital Investment & Program Management and the North Jersey Transportation Planning Authority for action.

Section 9.0 Annual Update Cycle

The annual updates of the Initial Financial Plan provide information on the actual cost, expenditure, and revenue performance in comparison to initial estimates as well as updated estimates of future year obligations and expenditures. The annual updates provide information on cost and revenue trends, summaries of cost reductions and increases, current and potential funding shortfalls and the financial adjustments necessary to assure completion of the Project.

Each Annual Update of this Financial Plan will be presented in actual cost to date and cost to complete estimates shown in year of expenditure dollars. These updates will use the same project elements to present the cost and revenues used in the Initial Financial Plan estimate. Any significant change in the total project cost or revenue since the last estimate will be clearly presented and the major reasons for these significant changes will be provided. Any required adjustments to the cost estimate will be computed in a manner consistent with the methodology established in the Initial Financial Plan.

For annual updates, the Route U.S. 206 Project Management Team will consider Federal fiscal year (October 1-September 30) as the Project's fiscal year. Annual updates to the Financial Plan will be submitted to FHWA within 90 days following the end of the Federal fiscal year.

Section 10.0 Summary of Cost Changes since Last Year's Financial Plan

The table on the following page represents cost changes since the 2018 Financial Plan Update along with explanations for these changes. NJDOT will continue to monitor cost growth.

Table 10.1
Route 206 Project in Somerset County
Financial Plan Cost Comparison (2018 and 2019)
(\$ millions)

Project Segment	Financial Plan Update 2018	Financial Plan Update 2019	Change 2018-2019	Comments
FEIS & Section 4(f) Evaluation	\$2.609	\$2.609	\$0	
Segment VI - U.S. 206 Bypass	\$180.886	\$180.508	(0.378)	The overall funding decreased since the projected costs for Utilities Relocations reduced.
Segment VII - 15 N	\$13.634	\$13.594	(\$0.040)	The overall funding decreased due to adjustment in FMIS
Segment VII – Doctor’s Way to Valley Road	\$56.549	\$59.745	\$3.196	The overall cost increase is a combination of construction cost estimate increase and decreases in Utility Relocations costs due to more accurate estimates.
Segment VII - Valley Road to Brown Ave	\$59.000	\$70.139	\$11.139	The overall cost increased to reflect increase in Final Design and Utility Relocation Costs.
Segment VIII and IX - Brown Ave to Somerville Circle (Section 15J)	\$90.440*	\$90.440	\$0	
Segment X - Somerville Circle (Section 15H)	\$33.426	\$33.426	\$0	
Wetlands Mitigation	\$2.360	\$2.360	\$0	
TOTAL PROJECT	\$438.904**	\$452.821	\$13.917	

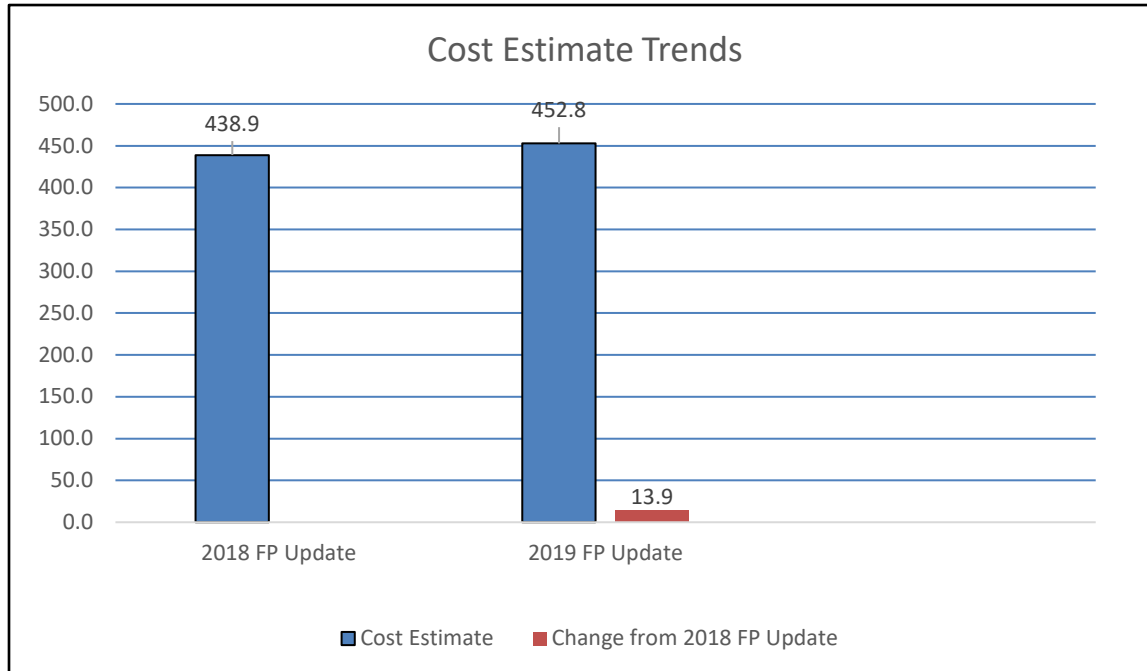
* Total Section J cost should have been reported as \$90.440 in 2017 and 2018 Reports

**Total Project cost for 2018 Financial Plan Update was corrected due to above correction to Section J cost

Section 11.0 Cost and Funding Trends since FY 2018 Financial Plan Update

As shown in Figure 11.1, the cost estimate has increased by \$13.9 Million since the 2018 Financial Plan Update. Please refer to Table 10.1 for explanations of cost changes.

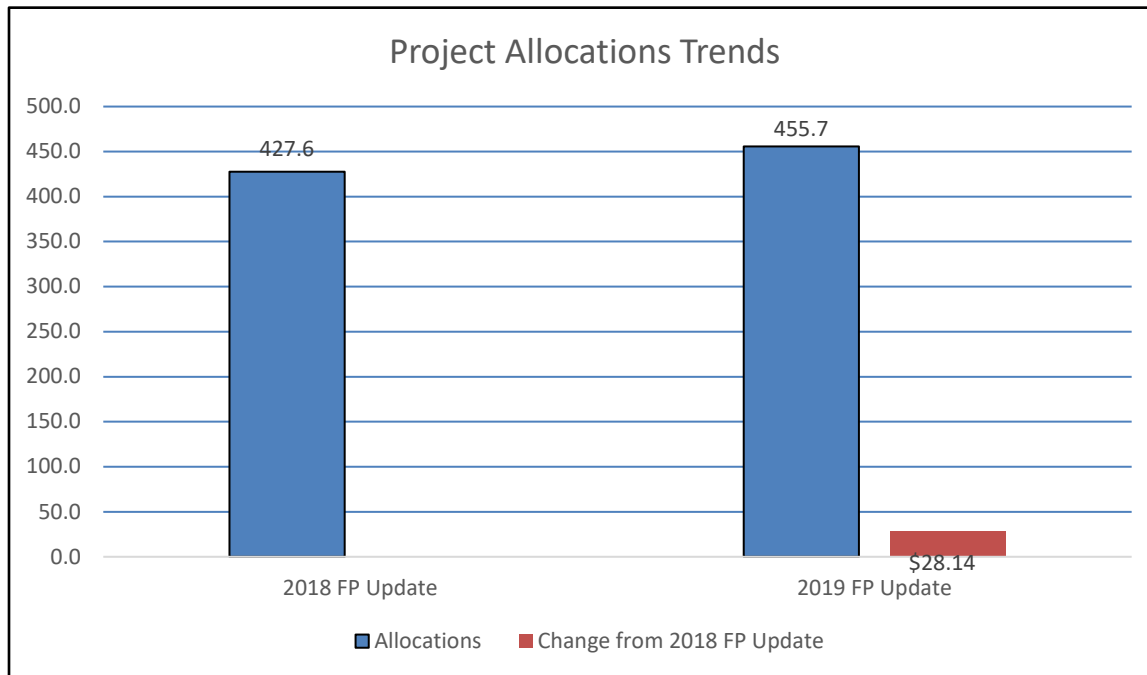
FIGURE 11.1: Cost Estimate Changes (in Millions of Dollars)



As shown in Figure 11.2, the funding will be increased by \$28.1 Million since the 2018 Financial Plan Update, as a result of STIP revisions that will be submitted. The reasons for STIP revision include:

- Construction cost estimate for Route 206 Doctor's Way to Valley Road has increased due to updated cost estimates, and previously allocated funding for Utility Relocation is no longer in the current STIP.
- Previously allocated funding for Utility Relocation and ROW are no longer in the current STIP for the Route 206, Valley Road to Brown Avenue project and Construction estimate has increased by \$9 Million due to updated cost estimates.

FIGURE 11.2: Funding Allocation Trends (in Millions of Dollars)



Section 12.0 Summary of Schedule Changes since Last Year's Financial Plan

For the Route 206, Doctor's Way to Valley Road (Segment VII) contract, new development in the vicinity of the Valley Road intersection has necessitated changes to the project design and caused delay to the Final Design and Construction completion dates. Final Design is now anticipated to be completed by April 2020 with Construction being completed by January 2023.

The delayed completion of the new Section 4(f) assessment for the Route 206, Valley Road to Brown Avenue (Segment VII) contract has caused a delay to the Final Design and Construction completion dates. Final Design will resume in the winter of 2019/2020 and to be completed by April 2022 with Construction being completed by December 2024.

The schedules for these projects will be monitored closely in an effort to keep the projects on track.

Section 13.0 Schedule Trends since Initial Financial Plan

The trend will be the same as discussed in Section 12.0.

(\$ millions)

\$32,000

FY 2020-2029 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM
New Jersey Department of Transportation Project Descriptions
(\$ millions)

Route 206, Valley Road to Brown Avenue	DBNUM: 780A / UPC: 108021
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This project, a breakout of "Route 206, Old Somerville Road to Brown Avenue (15N) (Northern Section)", will provide congestion relief, and operational and safety improvements. The project will include widening from two lanes to a four lane dualization, relocation of two existing traffic signals (adding two new jug handles) and replacement of the railroad bridge over Route 206. This project will be bicycle/pedestrian compatible.

COUNTY: Somerset	LEGISLATIVE DISTRICT: 16
MUNICIPALITY: Hillsborough Twp	SPONSOR: NJDOT
MILEPOSTS: 67.5-68.6	STRUCTURE NO.: 1810166, 1810167, 1810168

FINANCIAL PLAN REQUIREMENT: This project is part of a project with a total cost between \$100 and \$500 million programmed to receive federal financial assistance and an annual financial plan is required to be prepared.

AIR QUALITY CODE (NON-EXEMPT/EXEMPT): 2030M (Non-Exempt)

ASSET MANAGEMENT CATEGORY: Mobility and Congestion Relief (Congestion Relief: Major Widenings)

MPO	Phase	Fund	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
NJTPA	CON	NHPP		\$15,000	\$15,000	\$16,000							\$46,000

DRAFT RESOLUTION: APPROVAL OF THE FY 2021 UNIFIED PLANNING WORK PROGRAM

WHEREAS, the North Jersey Transportation Planning Authority, Inc. (NJTPA) has been designated by the Governor of New Jersey as the Metropolitan Planning Organization (MPO) for the northern New Jersey region; and

WHEREAS, the NJTPA, pursuant to 23 U.S.C. 104 (f) et. seq. and 49 U.S.C. 1607 et. seq., is responsible for the development of the Unified Planning Work Program (UPWP) to guide the transportation planning process in northern New Jersey; and

WHEREAS, the Fiscal Year 2021 UPWP (July 1, 2020 to June 30, 2021) describes all urban transportation and transportation-related planning activities to be undertaken by the NJTPA Central Staff, New Jersey Department of Transportation, NJ TRANSIT, NJTPA subregions, Transportation Management Associations, and other planning agencies in the region; and

WHEREAS, the FY 2021 UPWP is fully consistent with the U.S. Department of Transportation Metropolitan Transportation Planning Regulations (23 CFR part 450) which became effective May 27, 2016, as well as the “Fixing America’s Surface Transportation Act” (FAST Act); and

WHEREAS, any FY 2021 Compensation Plan and salary parameters will be subject to the NJTPA Executive Committee approval and New Jersey Institute of Technology confirmation; and

WHEREAS, no action authorized by the NJTPA shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Board of Trustees has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

NOW, THEREFORE, BE IT RESOLVED, that the North Jersey Transportation Planning Authority hereby approves the FY 2021 Unified Planning Work Program for the region.

BE IT FURTHER RESOLVED, that a copy of this resolution is forwarded to the New Jersey Department of Transportation for submission to the Federal Highway Administration and the Federal Transit Administration.

Summary of Action

Approval of the FY 2021 Unified Planning Work Program

Action: Approval of the FY 2021 Unified Planning Work Program (UPWP).

Background: The UPWP describes all metropolitan transportation and transportation-related planning activities to be undertaken by NJTPA Central Staff, subregions, member agencies and the Transportation Management Associations (TMAs) during FY 2021 (July 1, 2020 to June 30, 2021). This document has been developed with the direct input of the federal funding agencies, the New Jersey Department of Transportation (NJDOT), NJ TRANSIT, the Port Authority of New York & New Jersey, the NJTPA Board of Trustees, Alternates and members of the Regional Transportation Advisory Committee (RTAC).

Pursuant to federal planning regulations, the NJTPA is required to develop an annual UPWP. The FY 2021 UPWP is guided by the NJTPA's strategic directions and the planning requirements in the Fixing America's Surface Transportation Act' (FAST Act), and Plan 2045: Connecting North Jersey (the NJTPA's Long Range Transportation Plan). The FY 2021 UPWP incorporates work tasks that reflect current planning priorities of the United States Department of Transportation and NJDOT.

The initial FY 2021 UPWP draft was issued in December 2019 for review. Comments received from members of the Board, subregional partners, federal sponsors and NJDOT have been reviewed and incorporated into the work program and budget where appropriate.

For informational purposes, the work program also includes Chapter IV - Other Regional Transportation Planning Initiatives, which describes other transportation and transportation-related planning activities that are not funded by the NJTPA and not included in the other chapters of the UPWP.

Electronic copies of the proposed FY 2021 UPWP are available on the NJTPA website at: <http://www.njtpa.org/upwp.aspx>. Pending Board approval and federal authorization of the FY 2021 UPWP, final copies of the UPWP will be posted on the NJTPA's website for access by the NJTPA Board Members, Alternates, Regional Transportation Advisory Committee and general public. Digital or hard copies of the final UPWP will be made available upon request.

Justification for Action: NJTPA Board approval of the UPWP is necessary to ensure federal funding and for staff activities to be conducted in the upcoming fiscal year.

Staff Recommendation: Central Staff recommends approval of the FY 2021 UPWP.