

**NEW YORK STATE BRIDGE AUTHORITY  
ANNUAL REPORT PER SECTION 2800 OF PUBLIC AUTHORITIES LAW  
OPERATIONS, ACCOMPLISHMENTS AND PROJECTS UNDERTAKEN  
YEAR ENDED 12/31/12**

The mission of the New York State Bridge Authority is to maintain and operate the vehicle crossings of the Hudson River entrusted to its jurisdiction for the economic and social benefit of the people of the State. The Authority will maintain the vehicular bridges and related infrastructure in good condition for the benefit of the travelling public, provide for long-term financial stability of the Authority, and do so at the lowest cost consistent with long term safety and stability. The Authority will provide for accountability and transparency in its operations.

In 2012, the Authority continued to meet this mission as it operated six superstructures, with a replacement value over \$1.6 billion, together with their ancillary facilities, at one of the lowest tolls anywhere. In fact, since it came into existence 80 years ago, the Authority has raised tolls only three times in its history. In January 2012 the revised toll schedule included its basic cash \$1.50 and \$1.25 E-ZPass for round trip tolls that are both still lower than that charged for the first crossing in 1933.

In terms of maintaining the bridge system, which average 72 years of age, there is a need for constant monitoring and care. Given the proper maintenance, these spans have an indefinite lifetime. To that end, the Bridge Authority's capital improvement program is driven by annual bridge inspections conducted by independent engineers. Each year three vehicular bridges receive in-depth detailed biennial inspections that meet or exceed the criteria of both federal and state mandatory bridge inspection programs. The inspectors also do a thorough, but less intensive, inspection of the other three vehicular bridges to review the maintenance work done since the last biennial inspection and to identify changing conditions that may require an immediate response.

In 2012 the Authority lived up to its commitments through the execution of its toll schedule revision. This revision allowed the Authority to go to market in 2012 with \$90.3 million in bonds during a period of historically low interest rates. The debt issue will be used to finance \$100 million of its \$165 million capital program. The remaining funds will be spent on a pay-go basis from toll revenues. The Authority receives no funds from the state or federal governments to finance operations and maintenance.

The Authority initiated in 2012 a bidding process for a 3 year construction project to re-deck the South Span of the Newburgh-Beacon Bridge. The project, utilizing a previously negotiated project labor agreement, is the largest project of its kind in the history of the Authority. The actual construction is expected to begin in 2013. The project supports the Authority's goal of maintaining its vehicular bridges proactively to allow for an indefinite useful life.

The Authority recognized there are opportunities to generate revenues beyond toll collection to supplement those revenues. The Authority began advertising at its facilities. In 2012, the Authority generated \$0.1 million in revenue through the use of advertising on toll plazas and gate arms. The Authority continues its effort to expand this program to generate more revenues as the

concept is fully developed. Another initiative was to build a fiber optic line across the Mid-Hudson Bridge and lease fibers. The Authority has already built fiber capacity and covered its cost through leasing. It is looking to utilize existing capacity and Mid-Hudson Bridge to lease several more fibers within the existing line and is expecting to utilize fibers for its own usage as well. Additionally, the Authority is evaluating additional opportunities on its other facilities. While neither program is large enough to avoid increasing tolls, these programs have helped supplement reductions in revenue associated with economic cycles.

Major bridge project expenses in 2012 included \$7.1 million of a \$21.4 million project to paint a portion of the North Span of the Newburgh-Beacon Bridge, \$3.6 million of a \$4.2 million of construction work to the Walkway Over The Hudson Bridge (WOTH) for main span steel strengthening, \$3.5 for asphalt overlays at the Mid-Hudson and Newburgh-Beacon Bridges, \$1.6 million in costs to develop the bid for the replacement deck on the Newburgh-Beacon South Span and \$0.4 on an Automated Toll Payment Machine that will allow cash tolls to be collected in unmanned booths.

In addition to our vehicular bridges, on December 21, 2010 the Authority accepted ownership of the WOTH. The WOTH is a 124 year-old railroad bridge converted into a linear state park. This is a pedestrian only structure which produces no toll revenues. The New York State Office of Parks, Recreation, and Historic Preservation (OPRHP) is responsible for Walkway operations and the maintenance of the deck, and the Authority is responsible for the maintenance of the structure. During 2012 the Authority assisted the OPRHP by managing a construction project to make repairs on the deck. The utilization of existing Authority urgent support contracts along with Authority expertise brought the OPRHP funded \$1.1 million repairs in on time and under budget.

In 2012, Standard & Poor's assigned an AA- long-term rating to the Series 2012 General Revenue Bonds and affirmed the Authority's AA- rating and stable outlook on its outstanding bonds. Moody's Investors Service in 2012 assigned an Aa3 rating to the Series 2012 General Revenue Bonds and affirmed the rating for the Aa3 parity bond rating with a stable outlook.