

**NEW YORK STATE BRIDGE AUTHORITY
ANNUAL REPORT PER SECTION 2800 OF PUBLIC AUTHORITIES LAW
OPERATIONS, ACCOMPLISHMENTS AND PROJECTS UNDERTAKEN
YEAR ENDED 12/31/15**

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 2015, as in previous years, the Authority continued to meet this mission as it operated six superstructures, with a replacement value over \$1.8 billion, together with their ancillary facilities, at one of the lowest tolls in the nation for a self-supporting transportation entity. In fact, since it came into existence 83 years ago, the Authority has raised tolls only three times in its history. In January 2012, the most recent toll schedule revision, the Authority's round-trip base toll was \$1.50 for cash customers and \$1.25 for E-ZPass customers, both lower than the toll charged for the first crossing in 1933.

Maintaining the bridge system, which averages 75 years of age, requires constant monitoring and care. Given the proper maintenance, these spans have an indefinite lifespan. 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 2013, after a public bidding process, the Authority awarded a contract and work commenced on the project to re-deck the South Span of the Newburgh-Beacon Bridge. The project, utilizing a negotiated project labor agreement, was the largest project of its kind in the history of the Authority. In 2015 construction was completed on the project on time and materially on budget. The final cost was \$101.7 million from a projected cost of \$101.6 million or a 0.08% overage. The completed new deck supports the Authority's goal of maintaining its vehicular bridges proactively to allow for an indefinite useful life.

The Authority continues to develop opportunities to generate revenues beyond toll collection to supplement toll revenues. The Authority built fiber optic lines across several of its bridges and has leased excess capacity to third party private entities. The Authority closed five leases in 2015 bringing in \$1.7 million over the coming years. While this program is not large enough to avoid increasing tolls, this type of program has helped supplement reductions in revenue associated with economic cycles.

The Authority began the direct sales of E-ZPass in full service toll lanes in 2013 at each of the toll plazas. The additional convenience of buying a tag at the booth has been very successful with the Authority selling over twenty four thousand tags since inception. While by itself it is difficult to evaluate the incremental E-ZPass utilization attributable to this initiative, the Authority continues to see increased E-ZPass utilization throughout 2015 with overall utilization of 69.8% for the full year.

The single major bridge project expense in 2015 included, as noted above, approximately \$34.1 million expended of an overall \$101.7 million project to re-deck the South Span of the Newburgh-Beacon Bridge.

In 2016, Standard & Poor's affirmed the AA- long term rating on the Authority's outstanding general revenue bonds with a stable outlook. Moody's Investors Service in 2015 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.