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ENVIRONMENTAL FACILITIES CORP. APPROVES \$511.45 MILLION IN LOANS FOR ENVIRONMENTAL PROJECTS CONNECTED WITH NEW NY BRIDGE

Low-Cost Loans Will Support Thruway Authority Efforts to Protect River Habitats and Wildlife in the Hudson River Estuary, While Keeping Bridge Tolls as Low as Possible

The Board of Directors of the New York State Environmental Facilities Corp. (EFC) today unanimously approved a \$511.45 million, low-interest loan to the New York State Thruway Authority for environmental protection and Hudson River restoration projects related to the New NY Bridge project to replace the Tappan Zee.

The short-term loan from EFC – half at zero-percent interest and the other half at a low market rate – will go toward environmental projects to protect water quality and marine life in the Hudson River estuary, including protection of endangered sturgeon, oyster beds and other habitats, during and after construction of the New NY Bridge. These projects implement the New York-New Jersey Estuary's Comprehensive Conservation and Management Plan (CCMP).

Because the Thruway Authority is expected to save at least \$17 million over three years (2016, 2017, 2018) or \$5.6 million per year on average, compared with traditional Thruway bonds, the EFC loans will help keep tolls on the new bridge as low as possible.

The loan will be made from EFC's Clean Water State Revolving Fund (CWSRF), which is the largest and most-innovative revolving loan fund in the nation. The financing of the Estuary projects is based on clear authority under the federal Clean Water Act. Based on applications this year, EFC is meeting all requests for financing with one exception for a total of more than \$1.3 billion in short-term loans for more than 100 wastewater and drinking water projects across the state.

”These projects promote the health of the Hudson River Estuary and implement the EPA-approved Comprehensive Conservation and Management Plan for the New York-New Jersey Harbor & Estuary. This plan has served as the guiding instrument for managing this important estuary for two decades,” said EFC Chairman of the Board Joseph Martens.

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Projects that assist in the development and implementation of a federally-approved Comprehensive Conservation and Management Plan are eligible for a loan. The loan to the Thruway will not diminish EFC's capacity to finance critical clean and wastewater projects throughout New York State. Even after the loan for these projects, approximately \$540 million will be rolled over into the next fiscal year when another billion dollars or more will be invested by EFC in clean-water infrastructure, refinancing of municipal debt and other money-saving actions.

EFC President and CEO Matthew Driscoll said, “We are pleased to help carry out these important environmental-protection projects in the Hudson River. EFC will continue to finance as many municipal projects that come through our door as we have done year after year.”

EFC has provided more than \$17 billion in financing for municipal wastewater treatment and related projects in the past 25 years. Last year, EFC financed and refinanced nearly \$2 billion – one of its largest totals in the history of EFC.

“A main objective of Governor Cuomo's vision for the New NY Bridge is for it to be the most environmentally sensitive and sustainable civil construction project in New York history and the Thruway Authority continues to work closely with more than a dozen state and federal agencies and environmental advocacy groups to ensure the protection of the Hudson River Estuary and surrounding communities,” said New York State Thruway Authority Executive Director Tom Madison. “Thruway will spend hundreds of millions of dollars on environmental protections, monitoring, mitigations, and enhancements, and the EFC loan will help us complete these measures while keeping tolls as low as possible.”

Environmental projects to be financed through EFC and the CWSRF include:

- Restoration of Piermont Marsh
- Oyster bed restoration
- River bottom armoring
- Stormwater treatment at landings
- Underwater noise protection (bubble curtains) during pile driving
- Dredging and mound removal
- Dredge material disposal
- Removal of the existing bridge
- Shared use path for pedestrians and bicycles
- Endangered peregrine falcon nest box relocation
- Net conservation benefit plan (Atlantic sturgeon)
- Channel restoration of Gay's Point

The short-term loan includes two components: a zero-interest loan of up to \$256 million and a market-rate loan of up to \$256 million. Debt service charges will be calculated based on the market interest rates fixed in advance of the closing. Interest expense will also be affected in five years when this short-term loan is replaced by a long-term (30-year) financing. The first principal payment is scheduled for one year following the completion of the project.

EFC is the financing arm of Governor Andrew Cuomo's administration that provides low-cost loans to local governments and agencies for drinking water, wastewater infrastructure and other clean-water projects. Last year, EFC financed close to \$2 billion in clean-water investments statewide and, as the operator of the nation's largest State Revolving Loan funds, EFC is known for administering one of the best and most innovative, clean water loan funds in the nation.

Last year, EFC became the first State Revolving Fund in the nation to finance a clean energy program using its borrowing power under the Clean Water Act. By directly financing the environmental projects in the Hudson River Estuary, New York State will be undertaking the largest series of estuary protection and enhancement projects in the nation ever financed by the CWSRF. Never in the 25-year history of the CWSRF have projects of this magnitude been undertaken to benefit a federally designated Estuary of National Significance.

EFC recently added five more CWSRF projects in New York City for a total of \$92,896,872 – part of the more than \$400 million in CWSRF financing for New York City in the current federal fiscal year.

The loan will next be considered by the Board of Directors of the Thruway Authority and, if approved, it will be considered by the Public Authorities Control Board.

Construction on the New NY Bridge began in October 2013. Under Governor Cuomo's leadership and with the support of the U.S. Department of Transportation and other federal agencies, environmental review for the project was completed in just 11 months, much shorter that is typical for projects of this complexity and magnitude. Extensive measures will be in place throughout the duration of the project to protect the environment and to monitor the impact of construction on surrounding communities.

When completed, the New NY Bridge will mean less congestion for motorists, with eight traffic lanes, four breakdown/emergency lanes, and state-of-the-art traffic monitoring systems. Designed and constructed to be mass-transit-ready, the new crossing will be able to accommodate bus rapid transit, light rail or commuter rail. The twin-span bridge will also include a bike and pedestrian path.

Congressman Eliot Engel said, “Keeping tolls low at the Tappan Zee Bridge is critical to our regional economy. The financing being considered by the NYS Environmental Facilities Corporation will help cap taxpayer costs, as well as ensure the environmental integrity of the New NY Bridge Project. This project was designed to have a positive environmental impact on the Hudson River Estuary with extensive protections for wildlife and the river basin.”

Senator David Carlucci said, “The EFC loans for the New NY Bridge project are the kind of innovative financing that will not only help pay for important environmental protections on the Hudson River but will also help keep tolls as low as possible for Hudson Valley commuters, businesses and other drivers. All options need to be on the table when we talk about funding this project and keeping the Tappan Zee Bridge affordable.”

Ross Pepe, Construction Industry Council of Westchester & Hudson Valley Inc. said, “The New NY Bridge project is already putting people back to work and having a positive impact on the Hudson Valley economy. These loans will help keep this historic project moving forward. Equally important over the long run, the monies will help to protect the environment. Anyone who says they are against these EFC loans are fooling themselves and short-changing the public. Let’s do the math: higher construction costs means higher tolls on the new bridge. Lower construction loan financing means lower tolls on the new bridge.”

Dr. Marsha Gordon, president and CEO of The Business Council of Westchester, an organization that has long supported and advocated for the replacement of the Tappan Zee Bridge, said, “Utilizing low-interest EFC loans is a smart way to ensure that the New NY Bridge continues moving forward in an affordable and environmentally conscious manner. This addition is well-received, helping to protect the environment while also keeping potential future toll increases down. Balancing protections for local wildlife along with the needs of taxpayers and drivers is critical to the project’s ultimate success, and that is why allocating EFC funding is the right thing to do.”

William Mooney, CEO, Westchester County Association, said, “The use of EFC funding is a resourceful way to continue progress on the new Tappan Zee Bridge in a way that is fiscally and environmentally responsible. In addition to taxpayers and drivers’ needs, this low-interest loan enables the State to keep potential toll increases down. It will also be able to mitigate environmental impacts, protecting our wildlife. Allocating EFC funding is the smart thing to do, resulting in a new bridge that will provide for less congestion while fulfilling our responsibility to the environment and taxpayers.”

Al Samuels, president/CEO, Rockland Business Association & secretary, Committee to Build the Bridge Now said, “The Tappan Zee Bridge project has always been an important goal for the Rockland business community. Thanks to the EFC loans that will be allocated toward this project, we can take necessary action to ensure the environment and neighboring communities are protected throughout the construction process. Using the funding in this manner is a creative way to not only protect the Hudson River estuary and the surrounding area, but also to minimize future toll increases another important goal of the initiative. In fact, this approach provides for the very considerations requested by the environmental community. When completed, the new bridge will provide numerous benefits for motorists in the area and it is imperative we account for the potential impact it could have on wildlife.”