



**CONSTRUCTION OUTLOOK UPDATE:**

# **NEW YORK CITY PRELIMINARY CAPITAL BUDGET ANALYSIS**

**FEBRUARY 2019**

**\$9.8 BILLION**

Estimated spending on NYC capital projects in the current FY 2019, highest in past seven years

**\$14.4 BILLION**

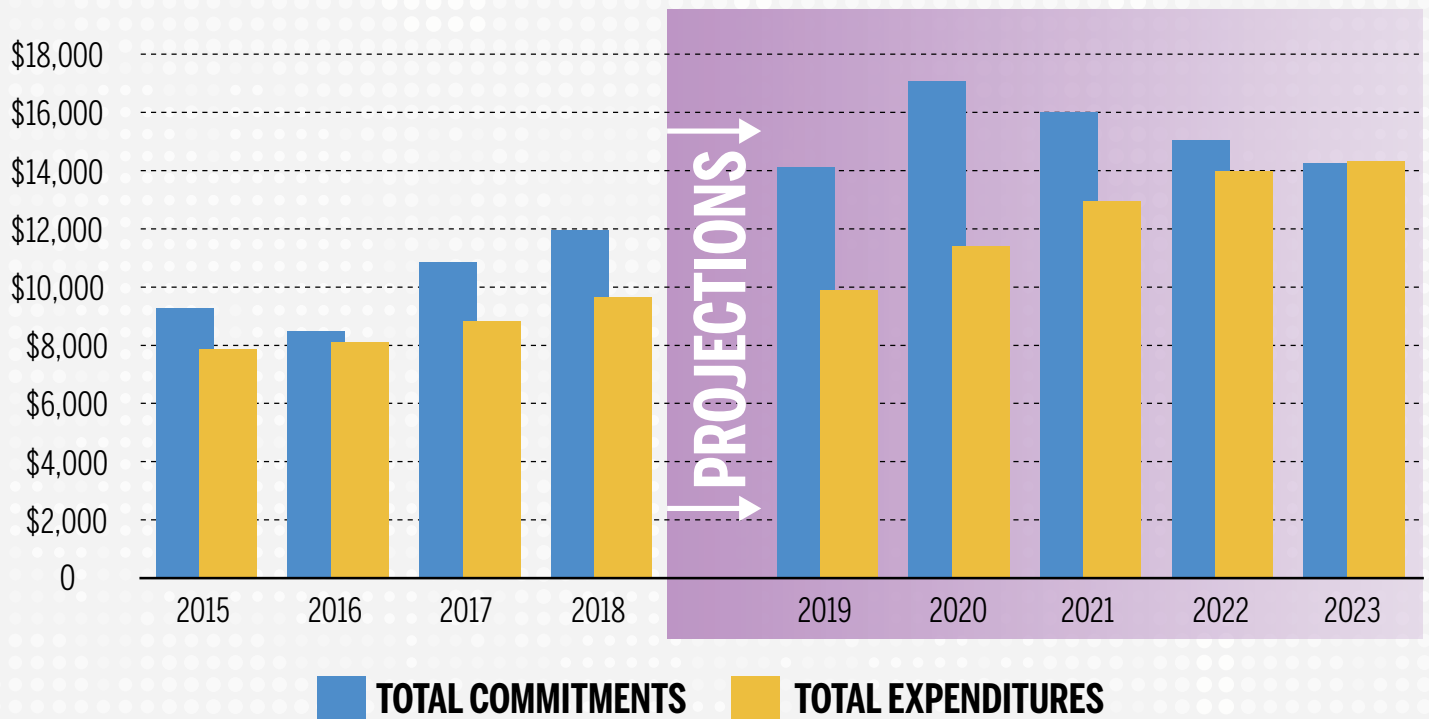
FY 2019 Modified Capital Commitment Plan, of which \$12.1 billion is City funded

**\$52.6 BILLION**

Proposed capital spending during FYs 2020-2023, more than any similar period on record

# NYC CAPITAL COMMITMENTS & EXPENDITURES


## (\$ IN MILLIONS)



## NEW YORK CITY PRELIMINARY CAPITAL BUDGET ANALYSIS

On February 7, 2019, Mayor Bill de Blasio released his administration’s Fiscal Year (FY) 2020 Preliminary Capital Budget and FY 2019 Capital Commitment Plan. The budget documents represent a commitment to meet lofty infrastructure goals despite concerns of national economic uncertainty. New Yorkers can expect the maintenance of core infrastructure and expansion in areas like housing and education, according to a New York Building Congress analysis.

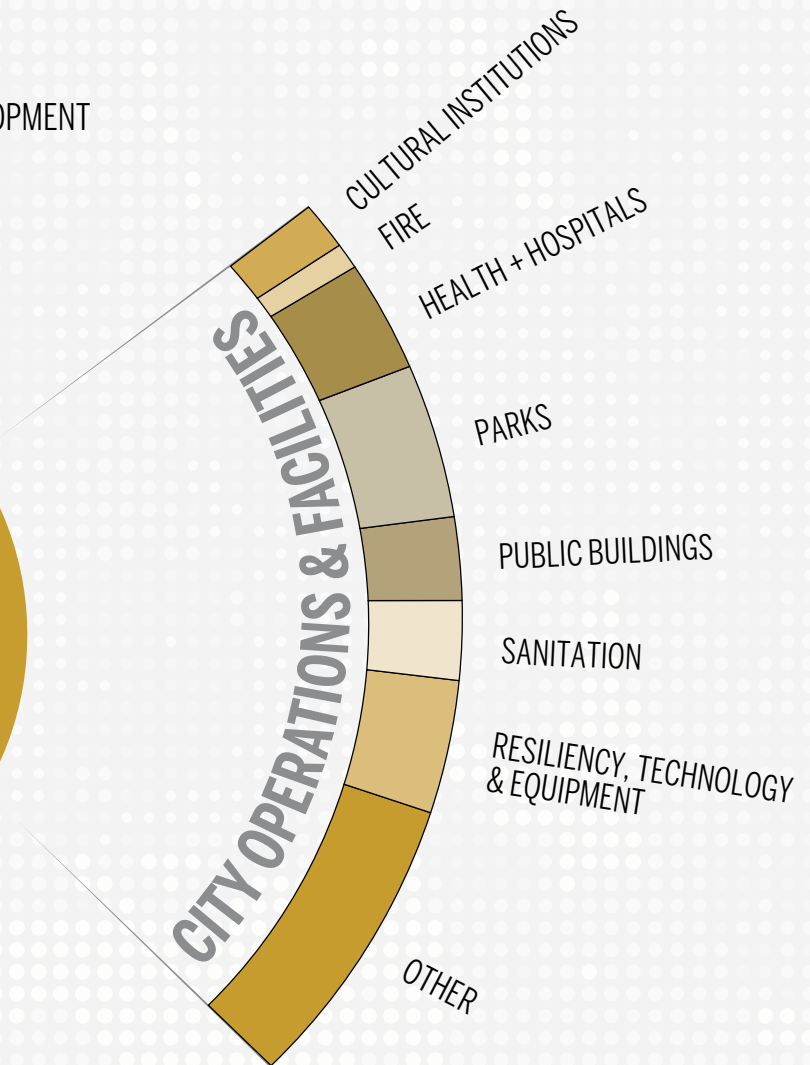
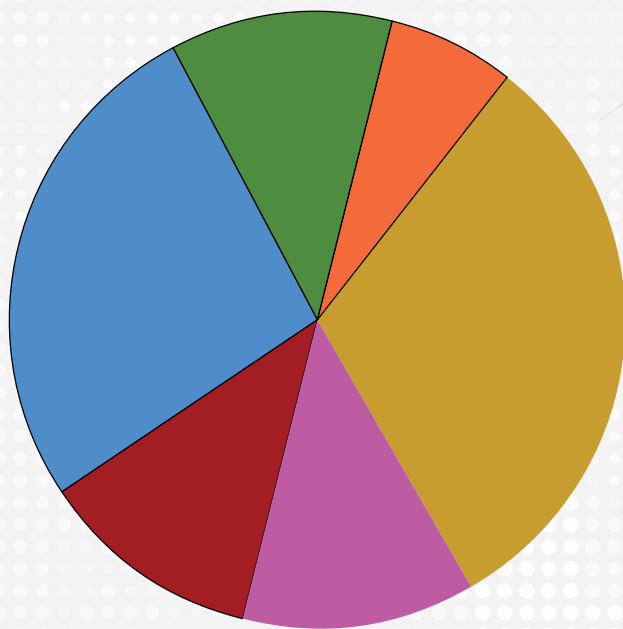
The City is proposing to increase capital spending by \$1.5 billion for the next two years. Authorized commitment levels will be \$9.8 and \$11.4 billion for 2019 and 2020 respectively. Capital spending from both City and non-City sources is set to increase to \$12.9 billion in 2021, \$13.9 billion in 2022 and \$14.3 billion in 2023.



**“The long-term stability and growth of New York is contingent on good schools, safe and reliable transportation, and a basic state of good repair of the City’s infrastructure. Mayor de Blasio and his administration’s latest capital plan is a timely and sensible step forward to ensuring our city’s prosperity in the coming decades.”**

**Carlo A. Scissura, Esq.  
President and CEO  
New York Building Congress**

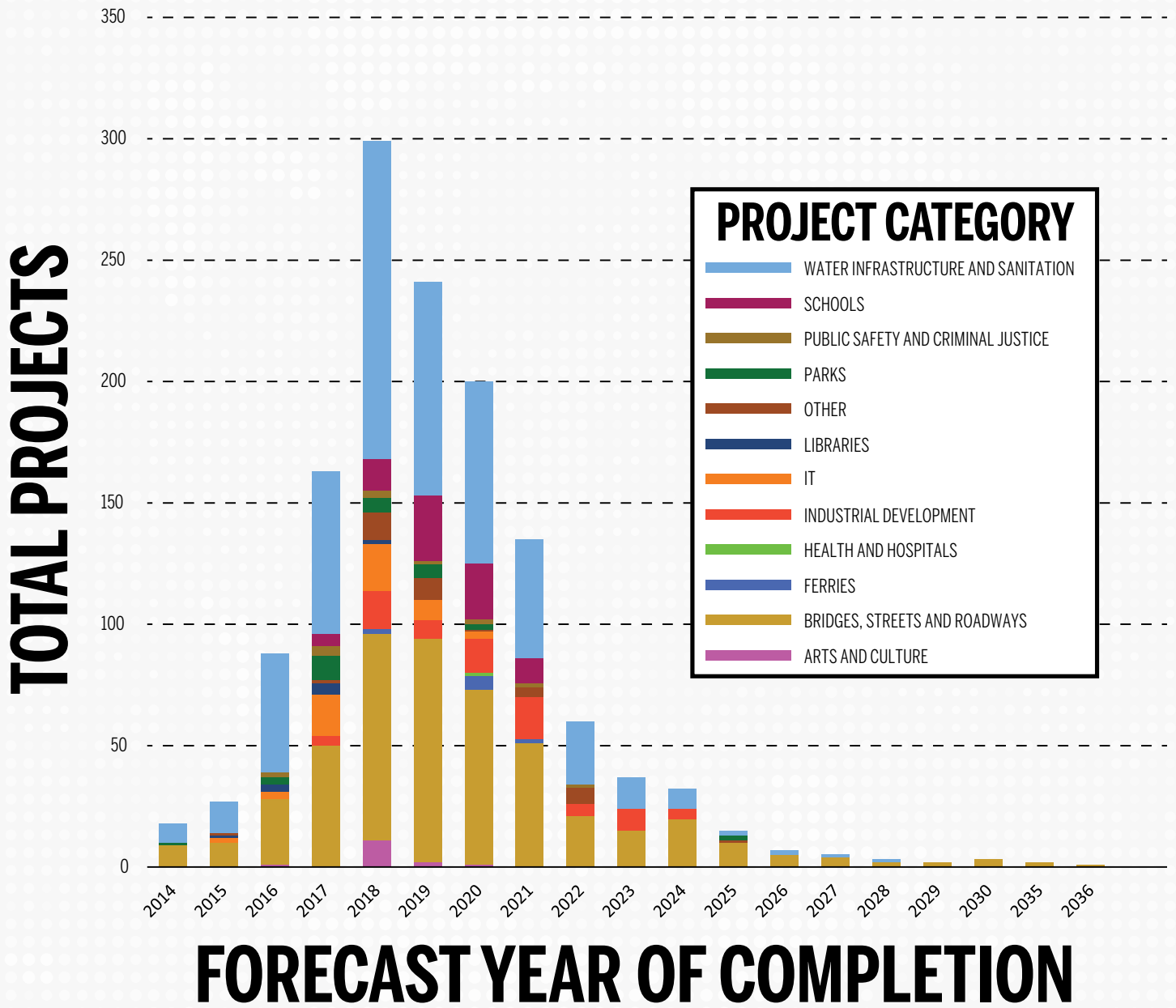
# FY 2019 AUTHORIZED COMMITMENT PLAN



With the proposed capital spending plan, the City is supporting broad-based growth, while keeping debt-services low. The de Blasio administration is focused on maintaining and modernizing our core infrastructure, expanding education access, and continuing efforts to make living in New York City safer and more affordable with capital project allocation.

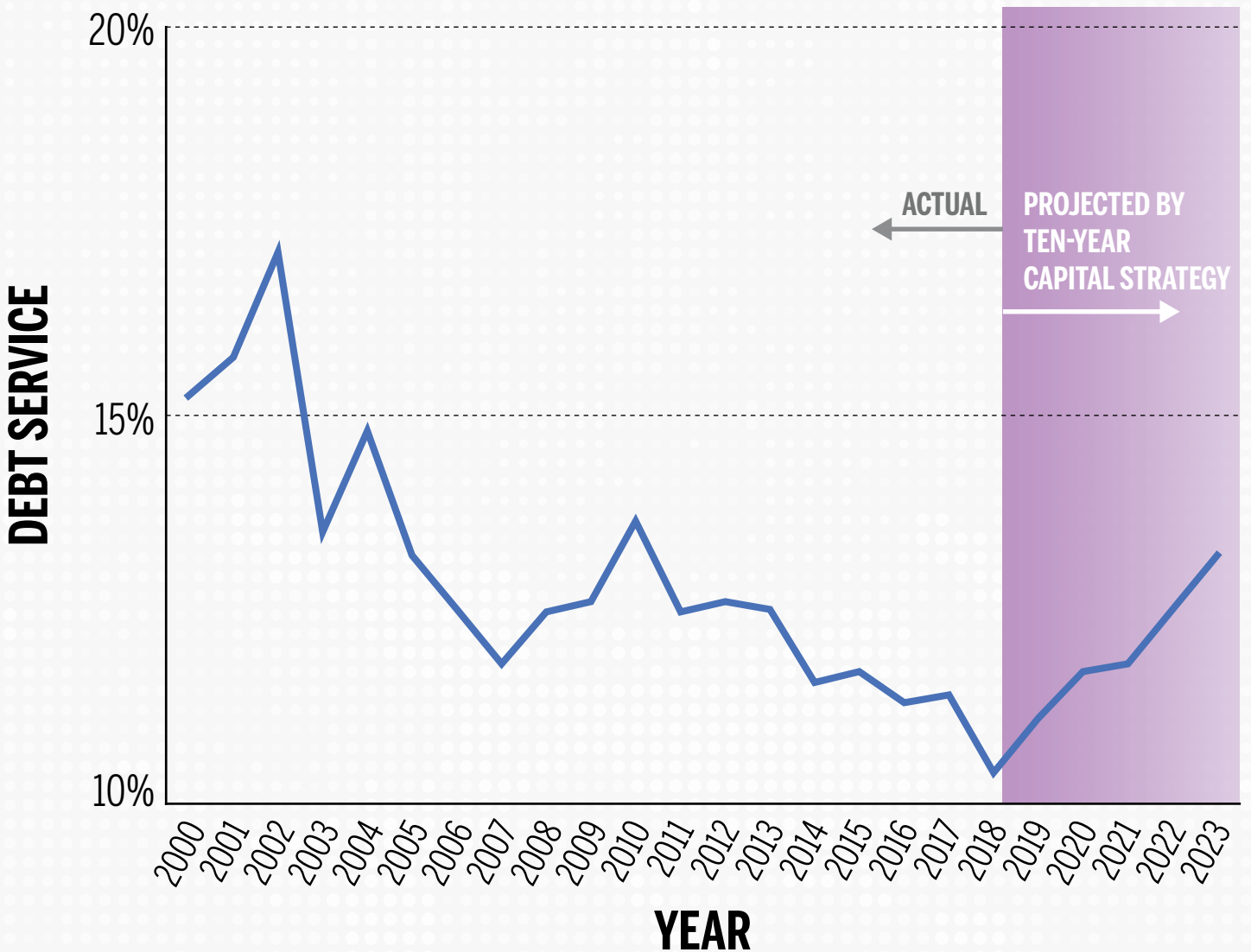
As the City looks to pursue increased investment in major new construction and maintenance, the budget is still fiscally responsible. The budget includes a savings of \$750 million as a proactive measure in response to a potential economic slowdown and budgetary uncertainty, stemming from both Albany and Washington, D.C.

Last year, the City managed projects well, completing 1,109 (or approximately 80 percent) of its 1,389 planned projects. More projects are planned to be designed, started and completed in 2019 (3,694 projects) than were in 2018 (3,497 projects).



The New York Building Congress' analysis finds these planned increases are affordable, based on the City's current financial outlook. The City projects its debt-service costs will remain well below 15 percent of total tax revenues, which is considered the threshold for responsible debt financing.

## DEBT SERVICE AS A PERCENTAGE OF TAX REVENUE



# NOTABLE ELEMENTS OF THE PRELIMINARY CAPITAL BUDGET AND COMMITMENT PLAN:

- The Mayor's preliminary capital budget totals \$52.6 billion of current obligations for projects from FY 2020 to FY 2023. It's important to recognize that the preliminary capital budget is often lower than the commitment plan levels because the budget doesn't include prior year appropriations and reauthorizations. The adopted budget will include the correct appropriation figures.
- A total of \$62.5 billion has been liquidated for the next five years of expenditures, averaging \$12.5 billion a year.
- The FY 2019 Authorized Commitment Plan for The Department of Education is over \$5 billion, the highest of any individual agency.
- The plan includes funding for 40 bridge projects (maintenance and construction) and 73 parks and playground projects built this year.
- The Department of Housing Preservation and Development plans to add 5,500 units to the housing stock and spend \$15 million to remediate hazardous conditions caused by the presence of lead paint this year. For context, at almost \$31 million, the Department is projected to spend \$4 million more on lead paint remediation than it did from 2017-2018.
- The Department of Transportation is projected to spend \$545 million on roadway maintenance and inspection.

# SOURCES

City of New York, Mayor's Office of Management and Budget (OMB)  
Preliminary Capital Budget, Fiscal Year 2020

City of New York, Mayor's Office of Management and Budget (OMB)  
Capital Commitment Plan; Fiscal Year 2019

City of New York, Mayor's Office of Management and Budget (OMB)  
Preliminary Ten-Year Capital Strategy; Fiscal Years 2020-2029



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