
Ten-Year Capital Strategy

Fiscal Years 2004–2013



The City of New York
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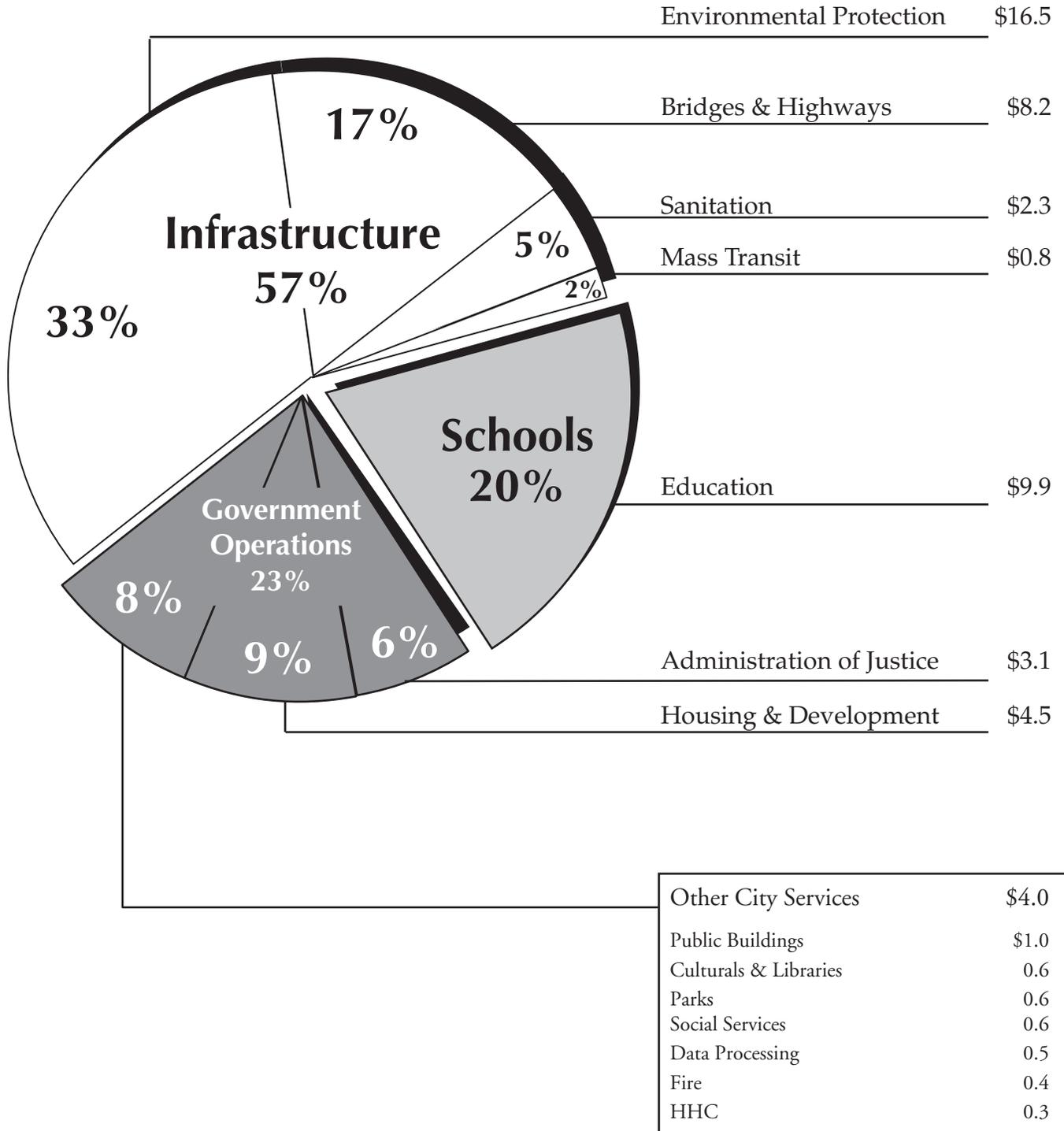
Ten-Year Capital Strategy Summary

Cover : Proposed East 153rd St. Bridge, Bronx
*Courtesy of The New York City
Department of Transportation*

The Ten-Year Capital Strategy 2004-2013

Totals \$49.3 Billion in All Funds

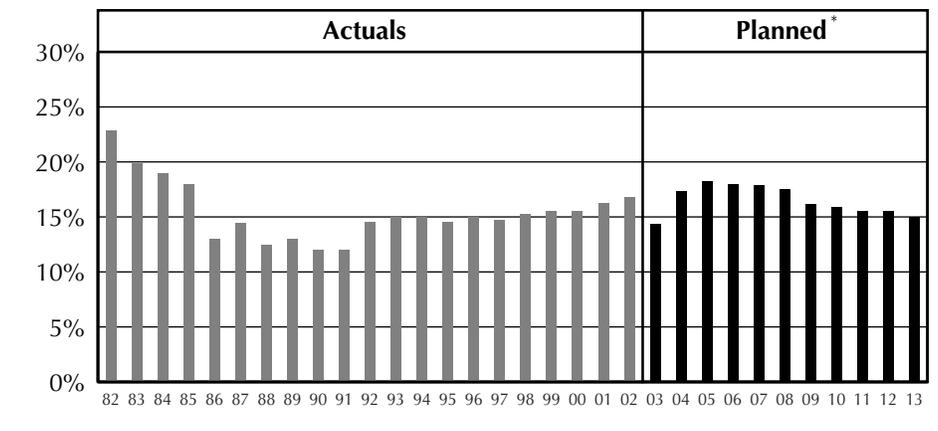
(\$ in billions)



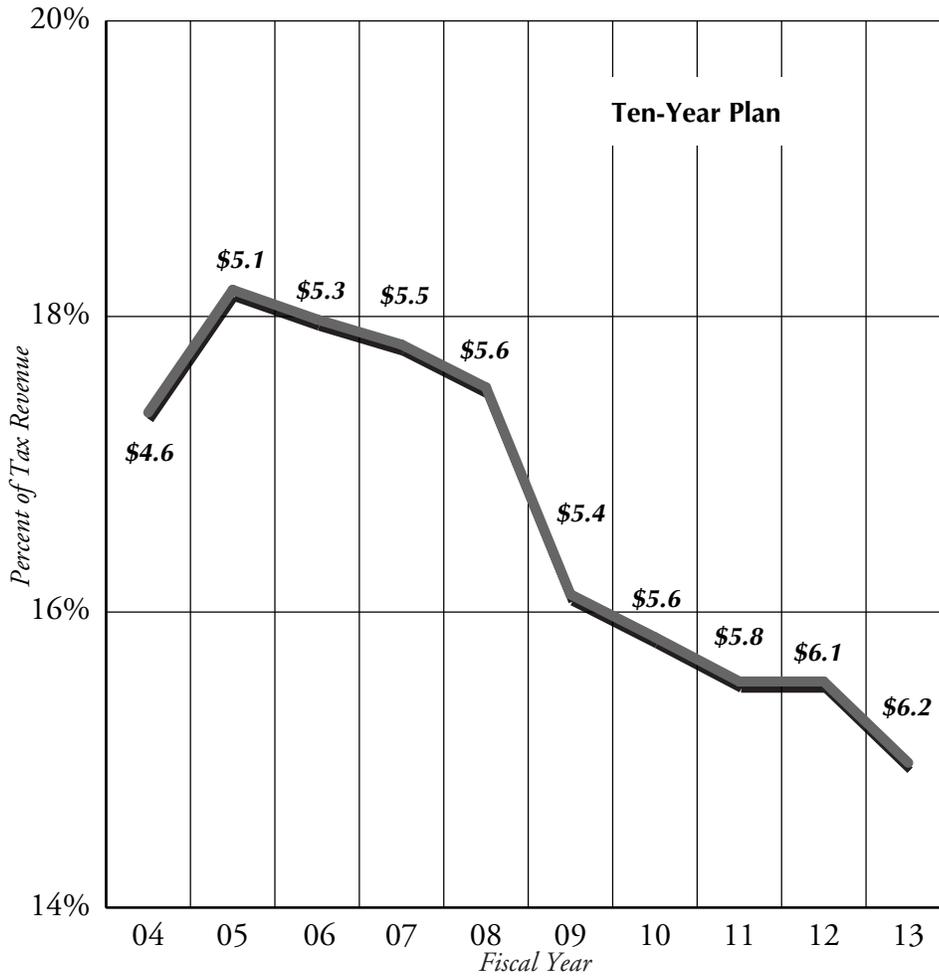
Sources Financing the Ten-Year Capital Strategy 2004 - 2013

Total City Funds		\$46.7 Billion
	General Obligation	\$27.3 Billion
	New York Water Authority	\$16.3 Billion
	Transitional Finance Authority	\$0.1 Billion
	Dormitory Authority & Other Financing	\$1.7 Billion
	Tobacco Settlement Financing	\$1.3 Billion
Total Non-City Funds		\$2.6 Billion
	Federal	\$1.9 Billion
	State	\$0.6 Billion
	Other Non-City Sources	\$0.1 Billion
Total Ten-Year Capital Strategy		\$49.3 Billion

Debt Service as a Percent of Tax Revenues

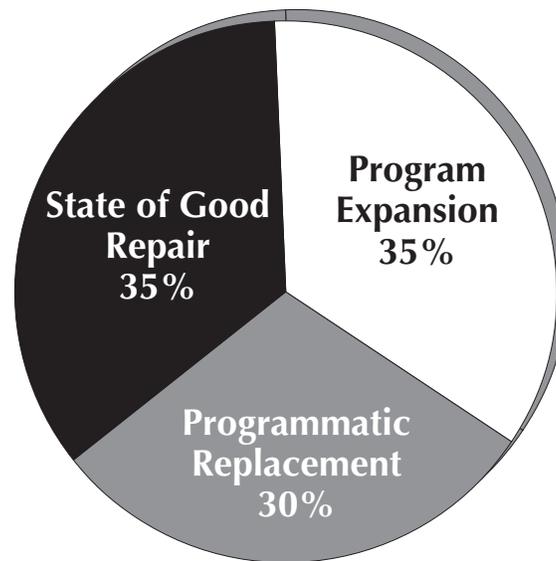


(in billions)



* Planned figures include General Obligation Bonds, Transitional Finance Authority Bonds, TSASC Bonds, Municipal Assistance Corporation Bonds, and lease debt service. Amounts shown are net of prepayments and water rental revenues for GO/Water bonds. Tax revenues used to compute the percentage include an addition of TFA debt service and the Tobacco Settlement Revenues which support TSASC bonds.

Distribution of the All Funds Ten-Year Capital Strategy for 2004-2013



Total Program: \$49,267
(\$ in Millions)

<u>State of Good Repair</u>	<u>\$17,203</u>	<u>Program Expansion</u>	<u>\$17,492</u>	<u>Programmatic Replacement</u>	<u>\$14,572</u>
• East River and Other Bridge Reconstruction	\$4,497	• New School Construction	\$5,179	• Water Pollution Plant Component Stabilization	\$2,695
• Reconstruction and Rehabilitation of Schools	3,679	• Construction of the Kensico-NYC Water Tunnel	1,715	• Water Quality Mandates and Preservation	1,904
• Highway Reconstruction & Resurfacing	2,840	• Assistance to Owners of Private Housing	1,517	• Consent Decree Upgrading and Construction	1,792
• Rehabilitation of In-Rem Housing and Other Housing Support Investment	1,004	• Croton Filter Project	1,389	• Water Main Replacement and DAM Safety Program	1,484
• Rehabilitation of Public Buildings and Systems	873	• Construction of Alternate Water Sources	1,215	• Upgrade of Water Pollution Control Plants	1,060
• Sanitation Garages and Facilities	861	• Neighborhood based and Other Housing Initiatives	1,150	• School Modernization	897
• Park Reconstruction	542	• Construction of the Third Water Tunnel	1,008	• Purchase of Sanitation Equipment	838
• Replacement of Failing Sewer Components	530	• Construction of Court Facilities	850	• Transit System Rehabilitation	748
• Rehabilitation of Libraries and Cultural Institutions	505	• Prison Construction for Increased Capacity	821	• Police Facilities and Equipment	393
• Prison Reconstruction	330	• Sewer Extensions to Accommodate New Development	725	• Reconstruction and Renovation of Court Facilities	360
• Other	1,542	• Solid Waste Management Infrastructure	546	• Citywide Computer Purchases	347
		• Commercial and Industrial Development	317	• Replacement of Fire Department Vehicles and Equipment	294
		• Water Main Construction	221	• Construction of Prison Support Spaces	275
		• Shelters for Homeless Individuals and Families	213	• Franchise Bus Purchases and Equipment	241
		• Other	626	• Other	1,244

Funding for the Ten-Year Capital Strategy by Agency Program

(\$ in 000's)

	FY04-07		FY04-13	
	City Funds	All Funds	City Funds	All Funds
Education	3,074,284	3,074,284	9,754,582	9,754,582
Water Pollution Control	2,952,226	3,052,226	6,325,708	6,525,708
Bridges	1,836,673	2,289,664	3,435,734	4,497,488
Water Mains	2,641,383	2,641,383	4,195,752	4,195,752
Water Supply	690,671	690,671	3,938,471	3,938,471
Housing	1,020,075	1,480,317	3,209,805	3,670,047
Highways	1,020,965	1,198,588	2,662,483	2,840,106
Sanitation	1,189,191	1,202,441	2,261,492	2,274,742
Corrections	442,409	442,409	1,422,335	1,426,085
Sewers	538,664	538,676	1,310,845	1,310,857
Courts	930,927	931,567	1,209,104	1,209,744
Subtotal-Major Agency Programs	\$16,337,468	\$17,542,226	\$39,726,311	\$41,643,582
Public Buildings	343,385	343,485	965,404	965,504
Transit	299,406	299,406	748,140	748,140
Economic Development	422,688	422,688	641,621	641,621
Parks and Recreation	356,361	377,389	602,289	623,317
DEP Equipment	272,652	345,215	495,337	567,900
Traffic	119,329	233,500	292,366	509,937
Police	249,484	249,484	483,093	483,093
Data Processing Equipment	450,624	450,624	451,465	451,465
Fire	190,641	190,641	444,838	444,838
Cultural Affairs	268,024	271,189	419,346	422,511
Franchise Transportation	25,856	240,910	25,856	240,910
Homeless Services	91,077	91,077	227,164	227,164
Hospitals	134,405	134,405	217,907	217,907
Human Resources	49,273	75,159	111,915	165,523
CUNY	91,327	100,622	119,445	156,858
Admin For Children's Services	55,172	62,850	127,256	143,978
Housing Authority	41,384	41,384	111,086	111,086
Health	61,532	61,532	97,004	97,004
Ferries	35,850	43,150	74,659	81,959
NY Public Library	71,123	71,123	78,836	78,836
Transportation Equipment	41,808	41,808	71,808	71,808
Real Estate	14,908	14,908	47,312	47,312
Brooklyn Public Library	29,718	29,718	35,609	35,609
Aging	15,915	15,915	29,085	29,085
Queens Public Library	21,291	21,291	27,471	27,471
Juvenile Justice	14,549	14,549	23,328	23,328
NY Research Library	9,122	9,297	9,122	9,297
Total	\$20,114,372	\$21,795,545	\$46,705,073	\$49,267,043

Ten-Year Capital Strategy

Fiscal Years 2004-2013

Table of Contents

Program Detail by Agency

Capital Strategy Framework 1	Transportation & Transit 19	Education, Health, Hospitals and Social Services
Financing Program 6	Bridges 20	Education 68
	Highways 22	City University 73
	Franchise Transportation 24	Health and Mental Hygiene 77
	Traffic 26	Health and Hospitals Corporation..... 81
	Ferries 28	Human Resources 84
	Equipment 30	Children's Services 86
	Transit Authority..... 32	Aging 88
		Homeless Services 90
	Environmental Protection 35	Housing and Economic Development
	Water Pollution Control 36	Housing Preservation and
	Water Mains 39	Development 92
	Sewers 42	Housing Authority 96
	Water Supply 44	Small Business Services 99
	Equipment 46	
	Sanitation 49	Citywide Administrative Services 102
		Public Buildings 103
	Public Safety	Real Estate 106
	Correction 53	Culturals & Recreation
	Police 57	Libraries..... 108
	Courts 60	Cultural Affairs 119
	Juvenile Justice 62	Parks 122
	Fire 65	Citywide Equipment 126
		Citywide Total 129

**Ten-Year
Capital Strategy Framework &
Financing Program**

Capital Strategy Framework

More than a year ago, after the tragic events of September 11th, New York City has faced enormous challenges in its economic recovery as well as its physical appearance, most affected in lower Manhattan. The City must cope with economic recession and fiscal austerity while maintaining and modernizing its capital infrastructure.

New York City's Preliminary Ten-Year Capital Strategy must take into account the city's economic and demographic situation. Despite economic cycles and enormous structural shifts, the city's overall population and employment are at about the same level as 50 years ago. At the same time suburban areas have experienced rapid growth, while most older urban centers have experienced rapid decline. The city's capital stock experienced a period of disinvestment in the 1970s, and reconstruction in the 1980s, but has had few significant additions since the early 1960s. With few exceptions, therefore, the city's capital plan is not based on quantitative growth in population and employment. It is based on the need to maintain the existing infrastructure, accommodate economic and social change, and improve the quality of life.

A Mature City

Like most older cities, New York's population essentially stopped growing in 1950 - New York's record population of 8,008,278 in 2000 exceeded the 1950 population by just over 100,000, or 1.5 percent. (Chart 1 shows population by borough rising through 1950 and then leveling off). The City's population declined substantially during the 1970s, but then recovered during the 1980s and 1990s. Similarly, the number of private-sector jobs in the city is approaching its 1969 peak. (Chart 2 shows employment from 1950 to 2001, fluctuating in a range). In 2001, New York City's average private sector employment was 3,138,500, or about 100,000 below the 1969 peak of 3,250,700.

The city's potential for growth is limited by its physical capacity. Its borders are fixed, it is surrounded by other incorporated municipalities, and much of its land is already developed at a high density. New York City's population density, about 25,000 people per square mile, is 50 percent higher than that of the nation's second densest major city, San Francisco, at 16,000 per square mile. New York's scale and density, though typical of other "World Cities" such as

Chart 1
New York City Population
1890 to 2000 by Borough

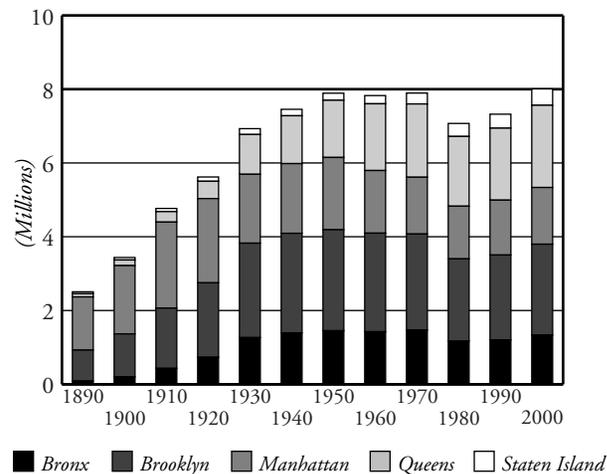
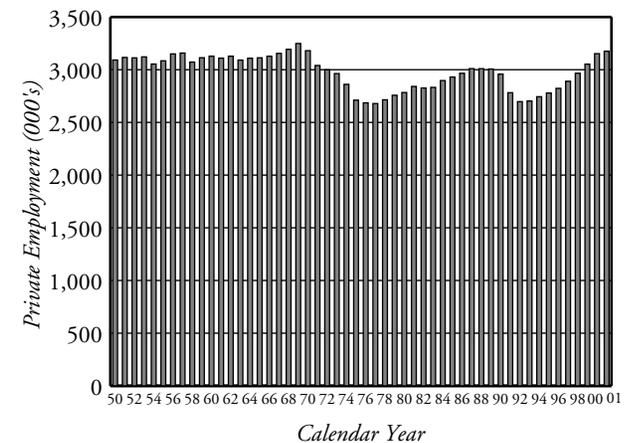


Chart 2
Private Employment
New York City: 1950 to 2001



Source: Current Employment Survey, New York State Department of Labor.

Capital Strategy Framework

London, Tokyo, and Paris, is unique in the United States.

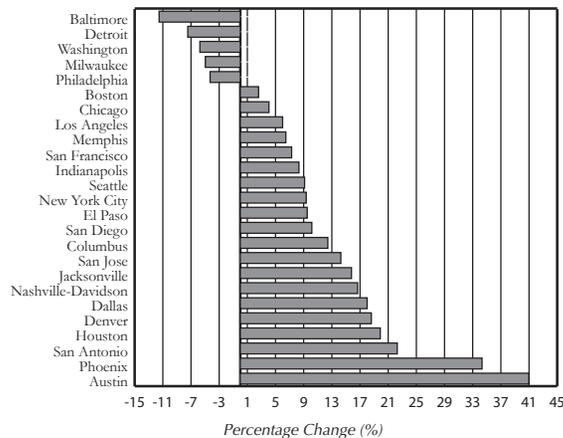
New York City's growth is also constrained by the worldwide trend for urban land uses to become more dispersed. Throughout the world, even as the number of "mega-cities" (metropolitan population over 5 million) increases, average densities in these cities are decreasing, with most population growth occurring on the suburban fringes. In dense areas, the cost of new housing and workplaces is inflated by the scarcity of land, the need to purchase and replace existing buildings, and the need to build surrounded by an active city. Lower costs generally drive development to the periphery, if the availability of infrastructure permit. And the desire to bring urban amenities to rural areas - paved roads, electric power, telephone service - provides the infrastructure for suburban spread.

From 1990 to 2000, New York City's population increased by only 9.4% as compared to other cities such as Phoenix, San Antonio and Austin, when compared gained

34.3%, 22.3 % and 41% respectively. Among the top twenty-five cities that had the most dramatic population change, only five had declines in population totals (Baltimore - 11.5%, Detroit - 7.5%, Milwaukee - 4.3% and Washington, D.C. - 5.7%). (Chart 3 shows the Population Change of the Top 25 Cities).

Fortunately, New York City is one of a handful of cities which retain a unique urban vitality which is difficult to replicate. New York City has the Manhattan Central Business District, whose critical mass of highly accomplished people, dynamic global firms, and world class institutions places New York with a handful of world cities that attract the international business and cultural elite. It is more than three times the size of the second largest central business district in the country, and one of just a handful in the U.S. and Canada with over 200,000 employed. For several years, New York County (Manhattan) residents have had the highest per capita income of any county in the United States, and its lead over the second wealthiest county is widening. As long as this unique asset remains vibrant, the city's future is assured, but this should never be taken for granted.

Chart 3 Population Change of Top 25 Cities
1990 to 2000



Source: 1990 Census STF1 & STF3 & 2000 Census DP1, DP-2, DP-3, & DP-4 Profiles
Population Division - New York City Department of City Planning (June 2002)

Capital Strategy Framework

Structural Change

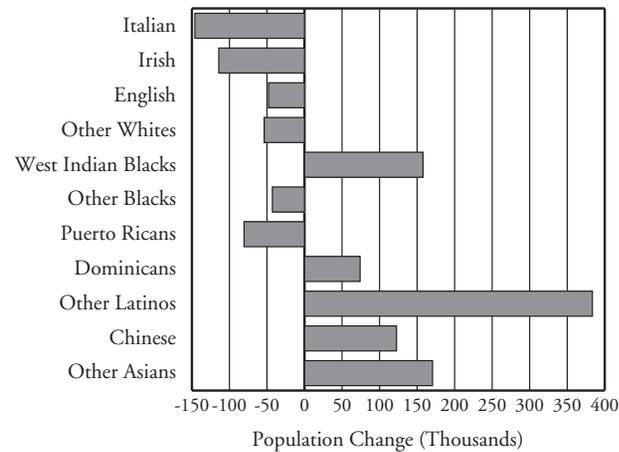
Despite a relatively constant overall population and employment level, New York City experiences constant economic and demographic change. In New York City, as in other cities, many former residents and their descendants have moved out. Unlike less successful cities, however, New York has continued to attract new people to replace the old. (Chart 4 shows Population Change by Race/Ethnicity).

Without the arrival of 2.3 million immigrants from 1970 to 1996, the city's population would have fallen at a rate typical of most older cities. Immigrants and their children now account for over half of the city's population. In particular, immigrants have been responsible for revitalizing older, formerly blue-collar neighborhoods located between Manhattan and postwar, "suburban" areas of the city. These areas suffered devastating population losses in the 1960s and 1970s, but have since turned around.

Like its population, the city's economy has continued to evolve despite a relatively constant overall size. In the 1800s,

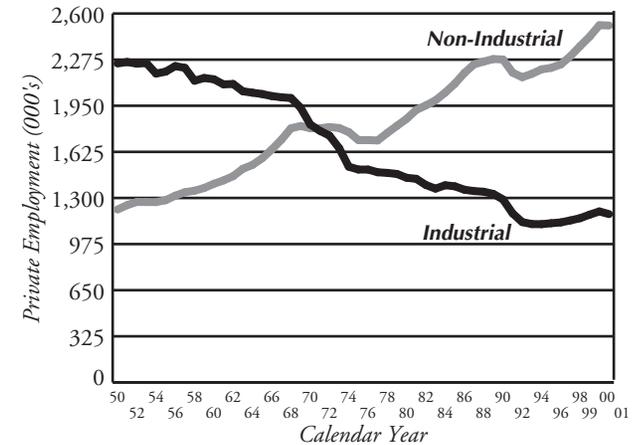
New York was primarily a trading center, and its manufacturing included many "heavy" industries drawn by access to the seaport. After 1900, these were replaced by light industries, such as apparel, electronics, and toys, which were drawn by New York City's low wage immigrant labor force. Since 1950, while much industrial activity has left New York and other older cities, New York has had a series of white collar growth waves. (Chart 5 shows Industrial vs. Non-Industrial Employment). From 1950 to 1970, New York City grew as a national corporate center which attracted the headquarters of the nation's largest firms, along with corporate services such as banking and advertising. During the 1980s, New York City rode the globalization of finance, and financial industry employment rose. Today, the city is generating a host of new media, arts, entertainment and communications businesses, which have been energized by the internet and the city's rising popularity as a tourist destination and film-shoot location.

Chart 4
New York City Ethnic Change
1990 to 2000: Race and Ancestry



Source: Census of Population.

Chart 5
Private Employment
New York City: 1950 to 2001



Source: Current Employment Survey, New York State Department of Labor.

Capital Strategy Framework

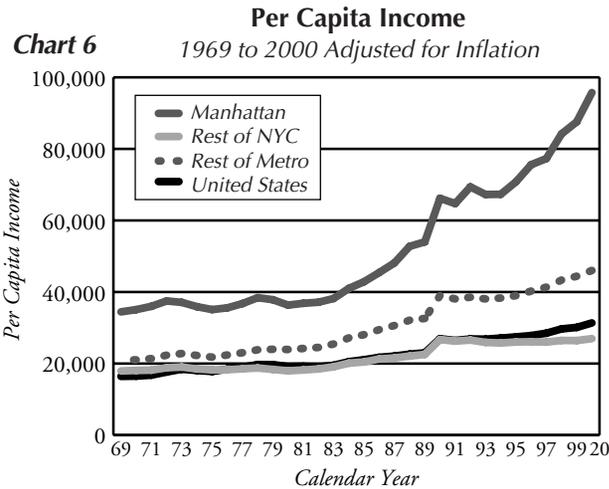
Qualitative Growth

New York City residents, like those elsewhere, are more affluent and educated than in the past. (Chart 6 shows Per Capita Income). In 2000, New York City's Per Capita Personal Income (adjusted for inflation) was \$40,722, Manhattan's alone was \$95,744 and the National Per Capita Income was \$31,356. The median household income for New York City was \$38,909 and \$38,293 in 1989 and 1999.

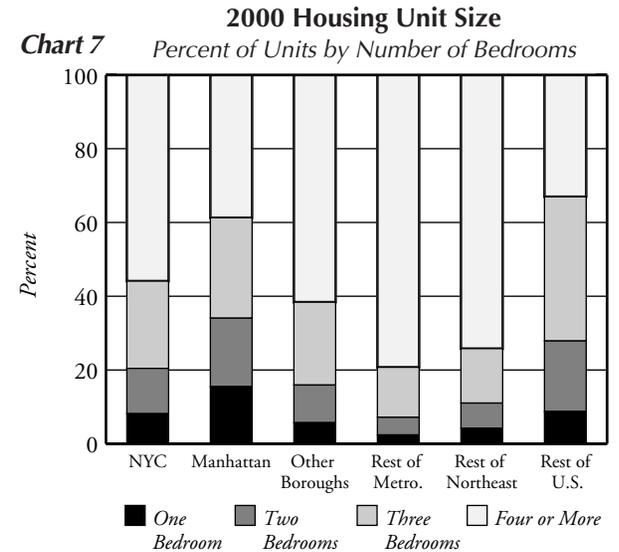
For the most part, however, a high level of new development and redevelopment is necessary to accommodate a better quality of life. As residents become wealthier and businesses become more productive, they come to expect housing units, places of businesses, and public facilities with more space per person and more amenities. While the number of people is not increasing over the long term, New York requires more and better capital facilities per person to remain competitive. From 1990 to 2000, while the City's population grew by 9.4%, the number of housing units increased by only 7%. The average square feet per

Manhattan office employee rose from 150 in 1960 to an estimated 325 today. However, this qualitative growth remains incomplete, and even as New York City gains, the rest of the nation continues to push ahead.

In contrast to ten years ago, when New Yorkers seemed to have a disproportionate number of inadequately sized units as compared to the rest of the country, in 2000, the City seemed to gain larger-sized units. (Chart 7 shows percentage of units by number of rooms, city, metropolitan area, state and nation).



Source: Bureau of Economic Analysis.



Source: Census of Population.

Capital Strategy Framework

Qualitative Growth and Public Infrastructure

In the past, infrastructure was built to accommodate new development on previously undeveloped land. Today, despite the city's relatively stable population, public infrastructure investment is still required to maintain the existing physical plant and improve the quality of life. In the past five years, more and more civic minded New Yorkers have realized that for the quality of life to be improved, and the city's economic vibrancy to be maintained, the city must not only maintain its built environment but also expand and improve it on a regular basis.

Financing Program

The City's financing program projects \$28.4 billion of long-term borrowing for the period of 2003 through 2007 to support the City's current capital program. More than 88 percent of the financing will be implemented through three bond issuers: the City, through its general obligation (GO) bonds, the New York City Transitional Finance Authority (TFA) and the New York City Municipal Water Finance Authority (NYW or the Authority). In addition, the City will utilize the Dormitory Authority of the State of New York (DASNY) and the Jay Street Development Corp. (JSDC) to fund several capital initiatives. JSDC will continue to

finance the construction of a new court facility at 330 Jay Street in Brooklyn. In addition to the two borrowings implemented to date totaling \$526 million, JSDC is expected to complete its third and final bond financing in early FY2004. DASNY will issue bonds for the City's other court facilities and the expansion and reconstruction of HHC facilities. TSASC, Inc., whose bonds are secured by tobacco settlement revenues, will be utilized to the extent that such financings become cost-effective. The annual financing amounts during the plan period for each of the bond issuing entities are listed in the table below.

2003–2007 Financing Program

(\$ in millions)

	2003	2004	2005	2006	2007	Total
Sources of Funds:						
City General Obligation Bonds	\$1,950	\$2,220	\$2,550	\$2,950	\$3,100	\$12,770
Transitional Finance Authority (1)	1,650	145	0	0	0	1,795
TSASC (2)	400	715	717	0	0	1,832
NYW (3)	3,271	1,734	1,779	1,926	1,770	10,480
DASNY and Other Conduit Debt (4)	110	651	230	316	230	1,537
Total	\$7,381	\$5,465	\$5,276	\$5,192	\$5,100	\$28,414

1) TFA includes Bond Anticipation Notes and bonds issued to fund the City's capital program (BANs), Recovery Notes and Recovery Bonds issued to pay costs related to the September 11 attack and excludes bonds issued to defease BANs and to defease Recovery Notes.

2) The City expects to derive net proceeds of approximately \$2.2 billion from TSASC for capital purposes, including the \$604 million of proceeds from the November 1999 TSASC financing and the \$150 million TIFIA loan.

3) NYW includes commercial paper, FY2002 refunding bonds issued to date and reserve amounts. Figures do not include bonds that defease commercial paper.

4) DASNY and other conduit debt includes DASNY financing of the City court capital program and three HHC projects, Jay Street Development Corp. financing of the 330 Jay Street project, and other conduit financings.

Financing Program

The following three tables show statistical information on debt issued by the financing entities described above.

2003–2007 Debt Outstanding

(\$ in millions)

	2003	2004	2005	2006	2007
City General Obligation Bonds	\$29,602	\$29,759	\$30,761	\$32,158	\$33,630
Transitional Finance Authority	12,020	12,982	12,766	12,391	12,000
TSASC	1,258	2,019	2,715	2,678	2,651
MAC	2,525	2,151	1,758	1,354	924
DASNY and Other Conduit Debt	2,731	3,171	3,316	3,510	3,636
Total Debt Outstanding	\$48,136	\$50,083	\$51,317	\$52,090	\$52,841

Water Finance Authority	12,320	13,780	15,340	17,080	18,670
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2003–2007 Annual Debt Service Costs

(\$ in millions)

	2003	2004	2005	2006	2007
City General Obligation Bonds*	2,275	2,969	3,220	3,295	3,474
Transitional Finance Authority	540	830	996	993	996
TSASC	102	110	163	200	199
MAC**	214	531	490	492	493
DASNY and Other Conduit Debt**	154	203	218	272	293
Total Debt Service Costs	3,286	4,643	5,087	5,252	5,454

Water Finance Authority	659	758	927	1,052	1,154
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* Includes short-term (RANs) interest costs. Excludes prepayments of debt service and water rental revenues for GO/Water bonds.

**Excludes prepayments of debt service

Financing Program

2003–2007 Debt Burden

	2003	2004	2005	2006	2007
Total Debt Service (NYC GO, Lease, MAC & TFA) as %:					
a. Total Revenue*	7.0%	9.8%	10.2%	10.1%	11.5%
b. Total Taxes*	13.9%	16.8%	17.8%	17.4%	18.6%
c. Total NYC Personal Income	1.1%	1.5%	1.5%	1.5%	1.4%
Total Debt Outstanding (NYC GO, Lease, MAC & TFA) as %:					
a. Total NYC Personal Income	14.3%	14.2%	13.6%	13.1%	12.3%

* Total revenues include amounts required to support TFA and TSASC debt service.

** Total tax includes amount required to support TFA debt service.

Financing Program

The Transitional Finance Authority

TFA Recovery Bonds and Notes:

TFA is only \$145 million below its statutory bonding capacity of \$11.5 billion (excluding bonds for recovery purposes) in FY2004. TFA has been a cost-effective source of financing for the City's financing program over the past six years. TFA debt now costs, on average 50 basis points less than City GO bonds. In addition, it has been an important source of diversification as a financing vehicle. The City has generally alternated TFA and GO financings through each fiscal year, relieving significantly cost and supply pressures on City GO bonds and thereby holding down the cost of GO financings. Therefore, the City is proposing legislation that would eliminate the statutory cap on TFA financing. If the TFA cap is not lifted, the City would have to issue approximately \$12.5 billion of its GO bonds during the plan period, which represents the largest share, 45 percent, of the total program. This amount could be higher if TSASC does not once again become a more cost-effective financing vehicle. If the TFA cap is lifted, it is expected that half of what would otherwise be issued in the form of GO bonds, \$6.4 billion of bonds, would be issued by the TFA instead. This would significantly improve the financing cost for the remaining \$6.4 billion of GO bonds still required. NYW's annual bonding amount, excluding refundings, will average about \$1.8 billion. The aggregate amount of NYW financing during the plan period will account for approximately 37% of the City's total program.

Transitional Finance Authority

The TFA is a corporate governmental agency constituting a public benefit corporation and instrumentality of the State of New York created by Chapter 16 of the Laws of 1997 in March 1997. The TFA was created to issue debt, secured with the City's personal income tax (PIT), to fund a portion of the capital program of the City. The TFA was originally authorized to issue up to \$7.5 billion of bonds and notes. In June 2000, the TFA received an additional \$4 billion of bonding capacity, increasing its overall authorization to \$11.5 billion. In addition, the State legislature increased the TFA's variable rate bonding capacity to \$2.3 billion or 20% of its authorized bonding amount (excluding the Recovery Bonds).

TFA New Money Issuances:

TFA issued approximately \$600 million of Series 2003C bonds and \$555 million of Bond Anticipation Notes (BANs) on November 7, 2002. The proceeds of the 2003C bonds were applied

to defease the BANs issued in November 2001 to fund the City's ongoing capital program. \$450 million of the Series 2003 C bonds were fixed rate and \$150 million bonds were floating rate. The TIC for the fixed rate portion of the 2003C bonds was 4.63%. The new BANs with a one-year maturity were competitively bid out with a true interest cost (TIC) of 1.63%. The proceeds of the BANs funded the City's capital program.

On February 20, 2003, TFA issued \$604 million of Series 2003D bonds and \$555 million of Bond Anticipation Notes (BANs). The proceeds of the 2003D bonds were applied to defease the BANs issued in February 2002, and to fund the City's ongoing capital program. The Series 2003D bonds were comprised of \$501 million of tax-exempt fixed rate bonds and \$103 million of taxable fixed rate bonds. The tax-exempt portion of the 2003D bonds had a TIC of 4.86% while the taxable portion had a TIC of 4.34%. The new BANs with a one-year maturity were competitively bid out with a TIC of 1.06%. The proceeds of the BANs funded the City's capital program.

On April 10, 2003, TFA issued \$550 million of tax-exempt fixed rate Series 2003E bonds to fund the City's capital program. The bonds had a TIC of 4.64%. With the issuance of the Series 2003E bonds, the TFA's remaining statutory bonding capacity is \$145 million. In FY2004, the TFA will issue the remaining \$145 million of bonds for capital purposes and \$1.1 billion of bonds to retire the two BANs issued in FY2003.

The City's personal income tax revenues are projected to grow at an average of 5.9% percent between 2003 and 2007 despite the elimination of various surcharges and implementation of tax cuts. TFA is projected to continue to have very strong coverage of debt service.

TFA Refundings:

In the first quarter of FY2003, TFA also completed two refinancings of its existing debt, Series 2003A and Series 2003B. The TFA took advantage of the low interest rate environment in the summer, adopted an innovative financing idea (the "stepped-coupon bonds," discussed in the next paragraph) and achieved total budget savings of \$121 million and \$47 million in FY2003 and FY2004, respectively. The TICs were 4.15% for Series 2003A and 3.96 % for Series 2003B. The present value savings were 8.5% for Series 2003A and 6.2% for Series 2003B.

The stepped-coupon bonds have a fixed coupon that increases (or "steps up") at the end of the refunding escrow period when all the refunded bonds have been paid. At that time, TFA expects to

Financing Program

call or purchase the stepped-coupon bonds and convert them into floating rate bonds. The structure allows the TFA to reduce the interest costs of those bonds with long maturities from 16 to 29 years to that of a bond with 11-year maturity for the first 9 years. After the escrow period, the interest rates on these bonds will be reduced to those of floating rate bonds, assuming that TFA refinances these bonds with floating rate bonds. In addition, the stepped-coupon bonds give TFA more flexibility in managing its overall interest rate exposure. The credit facilities for the future floating rate issuance do not have to be locked in today, thus saving enhancement costs and freeing up capacity for other financing options during the period.

TFA Recovery Bonds and Notes:

On September 13, 2001, the TFA was given a statutory authority to borrow \$2.5 billion to finance costs related to the September 11th terrorist attack on New York City. Pursuant to that authority, the TFA issued approximately \$2 billion of long-term debt in the first half of fiscal year 2003. In October 2001, the TFA issued the first \$1 billion of New York City Recovery Notes to pay such costs, including \$500 million to replace lost revenues resulting from the attack. During the first quarter of FY2003, TFA issued three series of Recovery Bonds (Series 2003-1, Series 2003-2 and Series 2003-3) totaling \$2.03 billion. One billion dollars of bond proceeds were used to pay recovery costs consisting of revenue losses associated with the events of September 11 and the remaining \$1.03 billion were used to retire the Recovery Notes issued in October 2001. The TFA Recovery Bonds are subordinated to TFA senior debt and have a 20-year level debt service payment structure. Recovery Bonds were sold as variable rate bonds (VRDBs) except for four maturities in years 2003 to 2006 from Series 2003-3 totaling about \$143 million, which were sold at a fixed rate. The fixed rate Recovery Bonds were sold at yields ranging between 1.66% and 2.56%. The yields are comparable to those of senior lien TFA bonds. The Recovery Bonds have the same credit ratings as the TFA's senior debt (Aa2 from Moody's and AA+ from S&P and Fitch).

The floating rate Recovery Bonds are supported by liquidity facilities provided by banks and by the New York State Common Retirement Fund ("CRF"). The \$191.2 million liquidity support from the CRF was a ground-breaking transaction: it allows the CRF to diversify and enhance returns on its investment portfolio with relatively low risk while facilitating competitive pricing for TFA by expanding the pool of liquidity providers beyond the traditional

banking institutions.

TFA floating rate bonds:

The issuance of VRDBs saves interest costs for TFA. The BMA index, which is a tax exempt floating rate index, has ranged between 0.95% and 1.85% in the last 12 months, averaging about 1.35%. The TFA's VRDBs are generally traded at 0.04% below the BMA average of about 1.31% last year. The TFA's 30-year fixed rate bonds were sold at a yield of 4.92% in the most recent transaction in April 2003. The difference in interest rates between the VRDBs and the 30-year fixed rate bonds is about 361 basis points. If the spread between the short-term and the long-term interest rates remains as wide as the current market at 3.6%, the annual debt service savings on the \$1.9 billion of TFA floating-rate Recovery Bonds could be as high as \$68 million annually.

New York City General Obligation Bonds and Cash Flow Financing

With interest rates at historically low levels, the City has implemented from June 2002 a series of refinancings of General Obligation (GO) bonds to realize budget savings totaling \$446 million in FY2003 and \$50 million in FY2004. A total of \$3.6 billion of bonds were refunded during the period between May 2002 and January 2003, of which \$1.6 billion utilized the recently passed Federal legislation that allows the City to advance refund up to \$4.5 billion of bonds before January 2005 that would not have been eligible for advance refunding a second time under federal tax law.

The first two refundings, Series 2002 E, F and G and Series 2003 A and B, were both about \$1 billion. They achieved a minimum of 3% present value savings and a total of \$364 million of budget savings in FY2003 and FY2004. Series 2002E, F and G and Series 2003 A and B, which consisted of all fixed-rate tax exempt bonds, achieved all-in TICs of 4.65% and 4.44%, respectively.

In November 2002, the City executed another refunding transaction, Series 2003 C, D and E, which consisted of \$148 million of fixed rate taxable bonds, \$400 million of tax-exempt variable rate bonds and \$600 million of tax-exempt fixed rate bonds. The refunding achieved a present value savings of more than 6.5% and a total of \$80 million of budget savings between 2003 and 2004. The City also entered into interest rate exchange agreements with four swap counterparties on the \$400 million of floating rate bonds. Pursuant to the agreements, the City pays the

Financing Program

counterparties a fixed payment semi-annually at 3.269% per annum on the \$400 million notional amount in exchange for floating rate payments calculated based on 62.8% of 1-month LIBOR payable monthly. Based on trading patterns of outstanding City debt, it is anticipated that the City's floating rate bonds will trade on average over the life of the bonds at 62.8% of LIBOR. Therefore, the swap payments that the City expects to receive over time will offset the interest costs on the bonds, leaving the net costs on the bonds equal to the fixed payments the City makes to the counterparties. The agreements allow the City to pay 3.929% (including 66 basis points for liquidity and remarketing costs) for bonds due 2014-2020, which is from 88 to 100 basis points lower than rates that would have been paid on fixed rate bonds. The tax-exempt fixed rate portion of the Series 2003 C, D and E bonds was sold at yields ranging between 1.68% in 2003 to 4.8% in 2015. The taxable portion of Series 2003C, D and E was competitively bid out at TIC of 3.57%.

On January 22, 2003, the City issued another \$1.2 billion of general obligation bonds (Series 2003 F, G and H), which included \$650 million of new money bonds and \$555 million in refunding bonds. The \$650 million new money financing consisted of \$500 million of traditional tax-exempt fixed rate bonds and \$150 million of taxable indexed floating rate bonds sold by private placement to a European investor. The yields on the tax-exempt fixed rate bonds ranged between 2.05% and 5.35% for maturities in years 2005 and 2033, respectively. The TIC for the tax-exempt new money series was 5.23%. The spread to LIBOR on the taxable bonds ranged between 38 basis point to 73 basis points for maturities in 2005 and 2017, respectively. With the 3-month LIBOR rate at a record low of 1.37% as of January 17, 2003, the taxable interest rates were set for the initial three-month period at a range between 1.75% and 2.10% for maturities in year 2005 and 2017, respectively. These rates on the taxable indexed floater compare favorably against those in both the domestic fixed rate and floating rate markets.

The January 2003 GO borrowing also included \$555 million of refunding bonds, consisting of \$307 million of tax-exempt fixed rate bonds, \$215 million of tax exempt floating rate bonds with a fixed-payer swap similar to the one executed in connection with the GO Series 2003 C, D and E transaction described above, and \$39 million of taxable fixed rate bonds. The refunding generated \$4 million and \$34 million of budget savings in FY2003 and FY2004, respectively. The yields on the tax-exempt fixed rate bonds range between 1.23% to 4.25% for maturities in year 2003 to 2011, respectively. The taxable bonds, with maturities only in 2003 and

2004 were sold competitively with an average yield of 1.93%. In addition, the City negotiated two interest rate exchange agreements with an aggregate notional amount of \$215 million, where the City will make fixed payments in exchange for receiving adjustable payments based on a percentage of LIBOR. These agreements essentially lock in low fixed interest costs on the floating rate bonds, similar to the swap agreements on Series 2003 C, D and E bonds described above. The fixed rates payable by the City are 2.818% and 3.259% on \$80 million and \$135 million notional amounts, respectively. The floating rate payments to be received by the City are based on 60.8% and 61.8% of 1-month LIBOR.

On March 6, 2003, the City issued \$650 million of tax-exempt fixed rate Series 2003I bonds for capital purposes. The yields on the tax-exempt fixed rate bonds ranged between 1.81% and 5.26% for maturities in years 2005 and 2033, respectively. The TIC for the bonds was 5.10%.

In addition to the financings described above, the City plans to issue a total of \$600 million of GO bonds for capital purposes in Spring 2003 and \$2.2 billion in FY2004. Beginning in FY2005, when TFA will exhaust its currently authorized bonding capacity, the City, unless the TFA's bonding authority is increased, will increase its GO financing program to \$2.6 billion, \$3.0 billion and \$3.1 billion in FY2005, 2006 and 2007, respectively.

Currently the debt service for the City and its related financing entities (TFA, TSASC, MAC and lease debt, excluding the effect of pre-payments) is 7.6% of the City's total budgeted revenues in FY 2003. The ratio will rise to 11.3% in FY 2007. As a percentage of tax revenues, the debt service ratio is 14.5% in FY 2003 and is projected to increase to 18.2% in FY 2007.

During fiscal year 2003, short-term interest costs as reflected in the \$3.8 billion of variable rate demand bonds (VRDBs) have been 1.25% on average for tax-exempt debt and 1.67 percent for taxable GO floating rate debt. These VRDBs, which have traded on average at rates that are at least 363 basis points lower than those for the fixed-rate debt, are expected to generate an annual debt service savings of over \$127 million.

In October 2002, the City issued \$1.5 billion of RANs for its seasonal cash flow needs. The TIC for the 6-month RANs was 1.385%. The City expects to issue \$2.4 billion of RANs or TANs in each of the next four fiscal years.

Lease Appropriation Debt

To diversify its financing sources, from time to time the City issues debt through a conduit to be repaid by a subject-to-

Financing Program

appropriation lease obligation. This has been done through the New York State Housing Finance Agency, NYS Urban Development Corporation (UDC) and, on an ongoing basis, through DASNY. Most recently, projects the City has financed in this manner include Health and Hospitals Corporation projects under the DASNY's Municipal Health Facilities program and the City's courts capital program, financed through DASNY and through the JSDC.

In fiscal year 2004, the City expects to issue \$143 million of bonds through DASNY for HHC, \$228 million of bonds through DASNY for the City's courts capital program and approximately \$194 million of bonds through JSDC to complete the funding of the Jay Street court house project.

Variable Rate Exposure and Swaps

As discussed above, variable rate demand bonds have been a reliable source of cost savings in the financing of the City's capital program. In considering the proportion of the City's financing program which is in variable rather than fixed rate debt, it is useful to consider all sources of financing with the exception of NYW which is typically considered separately for such purposes. Included would be not only City GO, TFA and TSASC bonds but also City lease appropriation and MAC debt. On June 30, 2003, taking into account financings planned for the remainder of the fiscal year, it is expected that \$7.3 billion of the total of \$47 billion of outstanding debt from these sources, amounting to 15.6 percent, will be in variable rate. This is a conservative level compared to other municipal issuers.

Certain swap and other derivative transactions also have contingent variable rate exposure. In particular, in fixed rate swaps, whereby variable rate debt is issued in combination with a swap transaction in which the City or its financing vehicle receives a floating rate and pays a fixed rate, there is a risk that the floating rate payments which are received are less than the floating rate payments on the variable rate debt which has been issued. As mentioned earlier, the City utilized two fixed rate swaps in conjunction with two recent GO refunding transactions. The notional amount of these two fixed rate swaps totaled \$615 million. In each of these swaps, the floating rate payments to be received by the City in the future were calculated at approximately 62% of LIBOR, rather than matching exactly the variable rates on the VRDBs issued by the City or being based on a tax-exempt bond floating rate index such as the BMA municipal swap index, which is closely correlated to the floating rate cost of the City's debt. A

short-hand calculation of the maximum contingent floating rate exposure which is inherent in this transaction, however unlikely it is to occur, is to consider what might happen to the cost of the City's floating rate debt if federal, state or local personal income tax rates were significantly reduced or eliminated which would eliminate the tax advantage of holding tax-exempt municipal securities. A simplified assumption is that BMA and the cost of the City's variable rate debt might rise to 100% of taxable rates as measured by LIBOR while the offsetting floating rate payments received by the City remained at 62% of LIBOR. Viewed in this way, this contingent floating rate exposure of the City is an additional 100% less 62%, or 38% of the swap amount of \$615 million, or a total of an additional \$234 million. Adding this very unlikely contingent exposure to the current actual variable rate exposure of the City increases the variable rate exposure on a percentage basis from 15.6% to 16%, not a material increase.

Similarly, in March of 2003, the City also entered into a \$671 million basis swap on its taxable floating rate bonds. The term basis swap refers to a swap in which one form of variable rate flow is exchanged for another type of variable rate flow. In this case, the City decided to convert its variable rate exposure from flows based on taxable market rates to flows based on tax-exempt rates. This was done by accepting variable rate payments based upon 100 percent of LIBOR (a taxable index) in exchange for making payments at 136 percent of the tax-exempt BMA index. The City also received a \$20 million up front payment as a result of this transaction. In this transaction, there is additional variable rate exposure resulting from the risk that BMA increases as a percentage of LIBOR. If, for example, federal, state or local personal income tax rates were significantly reduced or eliminated, which would eliminate the tax advantage of holding tax-exempt municipal securities, the BMA index could rise from its historical average of 68 percent of LIBOR to 100 percent of LIBOR. (Note that there is a slight advantage to the City between the historical average of BMA as a percent of LIBOR, at 68%, and the historical average discussed above of the variable rates on NYC GO VRDBs of 62%). This contingent variable rate exposure, which is in addition to the existing variable rate risk on the taxable VRDBs, can be estimated at 36% of the par amount of \$671 million, or an additional \$241 million. This risk is extremely remote. Adding this amount to the total in the previous paragraph from the two synthetic fixed rate swaps would increase the total City actual plus contingent floating rate exposure from 16% to 16.5%.

The City sold a cancellation option on the Series 2003 FG&H

Financing Program

floating-to-fixed rate swap and the TFA sold three interest rate caps in one transaction to the New York City Housing Development Corporation. These transactions are not included in the ratios of variable rate exposure discussed herein.

The 15.6% of actual floating rate exposure or 16.5% floating rate exposure including the contingent risk from the two synthetic fixed rate swaps and the basis swap, is even more manageable after taking into account the average \$2 billion cash balances in the City's General Fund which are an offset to these floating rate liabilities. Net of these floating rate assets, the floating rate exposure of the City, excluding NYW, is only 12.3 percent of its outstanding debt. NYW has entered into one swap transaction to date. It is discussed below.

The City, TFA and NYW have each adopted written policies on the use of swaps and other similar financial contracts. The City, TFA and NYW have each engaged or are in the process of engaging swap financial advisors to assist in the consideration of the use of such contracts and in the monitoring of the portfolio of such financial instruments.

The New York City Municipal Water Finance Authority

NYW was created in 1985 to finance capital improvements to New York City's water and sewer system. Since its first bond sale in November 1985, the Authority has sold \$20.88 billion in General and Second Resolution bonds and subordinated crossover refunding bonds. Refunding bond issuance amounted to \$8.07 billion. Of this aggregate bond par amount, \$11.49 billion is outstanding, \$8.03 billion was refinanced with lower cost debt, and \$1.37 billion was retired with Authority revenues as it matured.

In addition to this long-term debt, NYW uses a \$925 million tax-exempt commercial paper program as a source of flexible short-term financing. This program was recently expanded with unenhanced extendable municipal commercial paper (EMCP) notes. These notes were rated in the highest short term rating category by each of the three major rating agencies, including an F1+ by Fitch, an A-1+ by Standard and Poor's and a P-1 by Moody's.

NYW enjoys a strong credit rating by all three rating agencies. NYW is rated "AA" by Standard and Poor's and Fitch and "Aa2" by Moody's. Additionally, senior lien bonds issued by the New York State Environmental Facilities Corporation (EFC) for City capital projects eligible for State Revolving Fund (SRF) money are rated in the highest rating category by Moody's ("Aaa"), Standard & Poor's ("AAA") and Fitch ("AAA"). The bonds which NYW places with

EFC are unrated Second Resolution bonds of NYW, but are an element of security for the EFC bonds.

To date in Fiscal Year 2003, the Authority has closed eight financing transactions. The First Resolution Series A, B, C and D issuances consisted of bond sales directly to the public. The Second Resolution Series 1, 2, 3 and 4 bonds were issued to the EFC to secure bonds issued by EFC. Series A, C, D and Series 2, 3 and 4 bonds included refunding bonds, providing NYW with between 6% and 11% present value savings in each case.

Additionally, the Authority has sold first resolution Series E bonds, expected to close on April 23, 2003. The projected financing activity for the remainder of Fiscal Year 2003 will consist of Series F variable rate bonds, to be sold by NYW directly to the public for an estimated \$200 million and approximately \$300 million in Series 5 bonds to be sold directly to EFC. Additionally, NYW may be able to take advantage of other potential refunding opportunities during the remainder of this and next fiscal year should the interest rate environment be favorable.

On July 9, 2002, the Fiscal 2003 Series A, B & C bonds were delivered, in par amounts of \$741,090,000 for the Series A bonds, \$150,000,000 for the Series B bonds and \$300,300,000 for the Series C bonds. Although the spread to the MMD Triple-A scale widened compared to other recent NYW bond issues, interest rates on the Series A issue remained favorable, with a true interest cost of 5.355%. The structure included serial bonds maturing in 2003 through 2029 and term bonds maturing in 2034. The 2034 term bonds sold at 5.32% yield, while serial maturities ranged from a yield of 1.55% in 2003 to a yield of 5.29% in 2029.

NYW also sold \$20 million of muni-CPI bonds in the 2013 maturity of Series A. The muni-CPI bonds are a derivative product which swapped a floating rate tied to the consumer price index to a fixed interest rate, resulting in a lower yield than traditional fixed rate debt. The Authority is also looking at other opportunities in the financial derivative market and has appointed a swap financial advisor to assist it in the evaluation and execution of derivative transactions.

The Series B bonds were sold as refundable principal installment bonds, maturing in 2004, 2005 and 2006 allowing NYW to take advantage of the relatively low rates at the short end of the interest rate curve. The spread over the MMD Triple-A scale was between 10 and 11 basis points. Yields ranged from 2.1% to 2.92% in the various maturities and the true interest cost of the issuance was 2.77%. Principal in each maturity will be advanced refunded prior to the principal payment date.

Financing Program

The Series C bonds were sold as variable rate demand bonds, with \$100,100,000 offered in the weekly reset mode and \$200,200,000 sold in the daily reset mode. Three different remarketing agents were chosen to remarket these bonds. The structure included term bonds maturing in 2018.

Proceeds from the combined sale of the Series A, B and C bonds were used to defease all of NYW's Series One, Series Five and a portion of its Series 6 commercial paper, funded the debt service reserve, paid certain costs of issuance and refunded a portion of its Fiscal 1993 Series A bonds.

On October 10, 2002, \$250,000,000 of FY 2003 Series D bonds were delivered in a common plan of finance with \$148,040,809 of 2003 Series 1 bonds, issued to EFC. Proceeds from the Series D bonds were used to refund all of NYW's outstanding Fiscal 1987 Series A and 1987 Series B bonds and a portion of its 1994 Series B, 1996 Series A and 1994 Series F bonds. These bonds were second advance refundings allowed under the Liberty Zone provisions and provided in excess of 6% present value savings. The bond structure included serial maturities through 2017 with spreads to the MMD Triple-A scale ranging from 1 basis point below to 13 basis points above the scale. Yields ranged from a very favorable 1.464% in 2003 to 4.04% in 2017, with a true interest cost for the transaction of 3.89%. Premium bonds were sold in almost every maturity.

On April 9, 2003, the Authority sold \$367,265,000 of FY 2003 Series E bonds, which it expects to close April 23, 2003. The tax-exempt fixed rate bonds included two term bonds in 2034 and 2038, with yields of 4.95% and 5%, respectively, the lowest yields on an Authority long-maturity bond. The spreads to the MMD Triple-A scale were between 18 and 23 basis points above the scale. This was the first time the Authority issued 35 year bonds.

The proceeds of the 2003 Series 1 bonds were used to defease all of NYW's Series 3 and a portion of its Series 4 commercial paper and funded the costs of issuance. The 2003 Series 1 bonds were offered through a competitive sale using an internet-based bidding platform with seven bidders responding. The successful bid included serial maturities from 2003 through 2024 and term bonds in 2027 and 2032. Yields ranged from 1.35% in 2003 to 4.68% on the term bonds due in 2032. The yield on the 2032 term bonds was a very favorable 5 bp higher than the MMD Triple-A Scale, with earlier serial maturities trading as much as 10 basis points below the scale. The true interest cost was 4.28 % with an effective all in yield of 2.77%, after subsidy.

On November 14, 2002, \$608,654,720 of 2003 Series 2 bonds, issued to EFC were delivered, one of the largest offerings made by NYW through EFC. The transaction partially refunded NYW's Fiscal 1994 Series 1 bonds and fully refunded its Fiscal 1996 Series 1, Fiscal 1998 Series 2, Fiscal 1998 Series 5 and Fiscal 1999 Series 1 bonds, extended the maturity date to 30 years from the original issuance date of the refunded bonds and paid certain costs of issuance. The sale included serial bonds from 2003 to 2023 and term bonds in 2028. The yields on the term bonds are 5.00%, a 4 basis point spread above the MMD Triple-A Scale. The true interest cost on the bonds issued to EFC was a favorable 4.6%.

On March 20, 2003 the Authority closed two small refunding transactions through EFC. The transactions included \$22,365,000 of Fiscal 2003 Series 3 and \$35,605,000 of Fiscal 2003 Series 4 bonds, which refunded Fiscal 1996 Series 2 and 1996 Series 3 bonds, respectively. Both the refunding and refunded bonds made up a part of larger transactions which EFC undertook on behalf of a pool of issuers using the SRF program. The bonds extended the maturity date to 30 years from the original issuance date of the refunded bonds and paid certain costs of issuance.

During the period of 2004 and 2008, NYW expects to sell an average of approximately \$1.8 billion of new debt per year. Of this amount, NYW plans to issue a minimum of \$300 million per year through EFC, taking advantage of the 33 to 50 percent interest rate subsidy available for qualifying projects, and minimizing the overall costs of its financing program.

Financing Program

TSASC, Inc.

TSASC, Inc., a special purpose corporation, was created by the City in November 1999 to issue bonds secured with the City's share of the Tobacco Settlement Revenues (TSRs) pursuant to a nationwide Master Settlement Agreement (MSA). TSASC issued the first of four expected series of Tobacco Flexible Amortization Bonds (Tobacco Bonds) in 1999 to finance a portion of the City's capital program. Those bonds are the highest-rated bonds secured by TSRs issued to date by various states and localities. In December 2001, TSASC and the City completed a \$150 million loan agreement with the US Department of Transportation (USDOT) under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA). The loan agreement provides for funding by the USDOT for one third of the capital costs associated with the Staten Island ferries and ferry terminals project. The loan is scheduled to be drawn down over the next two to three years based on actual capital expenditures. The repayment of the loan is secured with TSASC's revenues, payable over the next 30 years on a parity with other TSASC senior bonds. The 5.52% interest costs on the TIFIA loan was estimated to be at least 30 basis points lower than the TSASC's borrowing rate under comparable market conditions.

In August 2002, TSASC implemented a second public offering for \$500 million. Unlike the 1999-1 Series, the 2002-1 series offer investors bonds with a fixed-payment structure and a super-sinker payment structure, which have become more popular

in the municipal tobacco bonds market since TSASC's 1999-1 transaction. The yields on the bonds range between 3% to 6% for maturities in year 2006 and 2032, respectively. The spreads to MMD-AAA (a municipal bonds index) vary between 45 basis points in year 2006 and 99 basis points in year 2032. The yields on the TSASC bonds are higher than those on the City General Obligation Bonds despite TSASC's higher credit rating. TSASC bonds however continue to be traded at lower rates than those of tobacco bonds issued by other New York municipalities in the secondary market.

If TSASC's bonds prove to be costs effective, the third and the fourth TSASC financings, each with approximately \$700 million of par amount will be implemented in FY2004 and 2005.

TSASC has acquired the City's 3.4% share of the national total TSRs payable under the Master Settlement Agreement (MSA) entered into between 46 States and the manufacturers of over 95 percent of cigarettes sold in the US. After TSASC retains sufficient TSRs to pay for its debt service and operating expenses, the excess TSRs flow to the City through ownership of a residual certificate. The MSA provides for an upfront payment, four Initial Payments payable on each January 10, beginning in 2000 and continuing through 2003 and an Annual Payment payable on every April 15, beginning in 2000. As listed below, TSASC has received a total of \$807 million payments from tobacco manufacturers since its inception.

TSASC's Tobacco Settlement Revenues Received

	<i>(\$ in millions)</i>					
	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>Total</i>
Upfront Payment	\$84	\$0	\$0	\$0	\$0	\$84
Initial Payment <i>(Due & Received on or about January 10)</i>	0	73	66	68	73	280
Annual Payment <i>(Due & Received on or about April 15)</i>	0	118	140	187	175*	620
Total	\$84	\$191	\$206	\$255	\$248*	\$984

* *Estimated*

Based on data available to TSASC, the relative market share among the PMs changed from year to year and the overall US cigarette shipment in 1999 and 2000 were roughly the same as those forecast in the TSASC Series 1999-1 official circular. In general, the Annual Payments vary according to an inflation factor and the annual amount of cigarettes shipped in the US by tobacco manufacturers participating in the MSA, among other factors. Also, the amounts of TSRs received to date are subject to modification as the Independent Auditor receives updated cigarette shipment information from various sources. The adjustments were and will be made against subsequent TSRs.

Program Detail by Agency

Department of Transportation

The Department of Transportation (DOT) is responsible for the safe and efficient movement of people and goods in New York City. To fulfill this mission, DOT builds and maintains streets, sidewalks, highways, bridges, and municipal parking facilities; maintains and operates municipal ferry systems and monitors private ferry systems; regulates private bus companies; participates in traffic regulation efforts; and serves as an advocate for better transportation.

Although future demands on the transportation network will depend on a host of economic, demographic, and social trends that are difficult to predict, all indicators point to increased transportation demand. Regional employment is expected to rise approximately 12% by 2020. The number of motor vehicles is expected to increase by approximately 12% regionwide. Increasing congestion on the region's highways will further exacerbate the difficulties of goods movement, as more than 97% of all goods are shipped into the City via trucks. The challenge, in the face of these trends, will be to channel as much of this rising demand into mass transit as possible, while still maintaining a viable and safe local street system. At the same time, the City must maintain its aging bridge and arterial network so that vital transportation links do not become either structurally deficient or congested, or pollution causing bottlenecks, impeding the City's economic growth.

Capital Program Goals

- Provide safe and efficient travel throughout the City by rehabilitating deficient bridges;
- Provide streets in good repair;
- Improve the flow of traffic and minimize congestion;
- Maintain and improve safety on City streets by providing adequate lighting, upgrading intersection signalization, and installing lane markings, and traffic calming measures;
- Protect the public from excessive amounts of motor vehicle pollution;
- Provide public transportation that is accessible, reliable, and clean; and
- Ensure the safe and efficient operation of ferries and ferry terminals.

Ten-Year Capital Strategy

The Ten-Year Capital Strategy provides over \$8.2 billion to the Department, with Bridges and Highways receiving the bulk of funding, totaling over \$7.3 billion (89%).

Department of Transportation - Bridges

Bridges

	(in millions)
• East River Bridges	\$833.3
• Poor Bridges	335.8
• Fair Bridges	1,815.2
• Bridge Life Extension	1,271.2
• Bridge Facilities	18.0
• Bridge Vehicles/Equipment	8.9
• Bridge Protective Coating	215.1
TOTAL	\$4,497.5

The Ten-Year Capital Strategy provides \$4.5 billion to reconstruct the four East River Bridges and 190 other bridge structures. The first four years of this Ten-Year Capital Strategy allocates over \$2.29 billion to the Bridge Program, of which \$524.6 million is projected to be committed in 2004. The total commitment reflects the high priority accorded to restoring and maintaining these essential links in the City's transportation system.

East River Bridges: All remaining East River Bridge reconstruction contracts will be registered by the year 2011. By this time, the reconstruction of the Queensboro and Williamsburg Bridges will be complete and the reconstruction of the Manhattan and Brooklyn Bridges will be in the final stages of reconstruction. The only remaining work on the four East River Bridges will be the seismic retrofit of the four bridges, planned for commitment in 2011. The Ten-Year Capital Strategy provides \$833.3 million for this program.

Poor Bridges: Six structures currently rated "poor" will be committed for reconstruction by 2007, at a total cost of \$335.8 million, including the Mill Basin Bridge over the Belt Parkway and the Harlem River Drive Viaduct over 127th Street. By 2007, all bridges currently rated "poor" will either be reconstructed, committed for reconstruction, under reconstruction or demolished.

Fair Bridges: The Ten-Year Capital Strategy provides \$1.82 billion to reconstruct bridge structures currently rated "fair", including the Belt Parkway Bridge over Paerdegat Basin. By the year 2013, a total of 91 bridge structures currently rated "fair" will either be reconstructed or committed for reconstruction.

Bridge Life Extension: The Ten-Year Capital Strategy provides for rehabilitative work on various bridge structures currently rated "fair" or "good" that require an upgrade to their current condition. In addition to bridge component rehabilitation work on various bridges, a total of 93 bridge structures, all rated "fair," are slated for major rehabilitative work under this program through 2013. This includes the West 79th Street Bridge over Amtrak and the East 153rd Street Bridge at Park Avenue. A total of \$1.27 billion will be spent on all programs in this category.

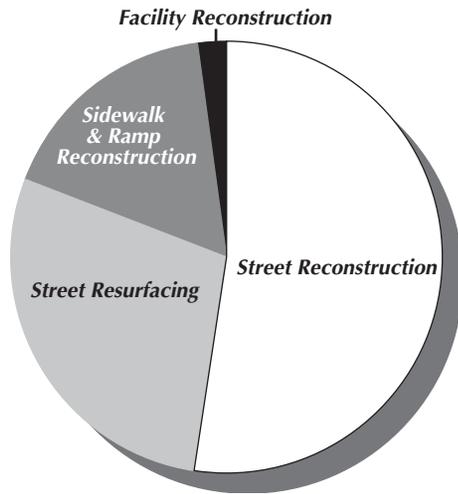
Bridge Facilities and Equipment: \$26.9 million will be allocated for the reconstruction of bridge facilities including the Harlem River Bridge Shop, and the purchase of equipment and vehicles for field forces.

Bridge Protective Coating: Funding in the amount of \$215.1 million has been provided for bridge protective coating treatments excluding the painting costs for the four East River Bridges. This program includes protective coating for the bridges crossing over the Henry Hudson Parkway, the Brooklyn Queens Expressway, and the Long Island Expressway, among others.

Department of Transportation - Bridges

Project Type: HB	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>East River Bridges</i>											
City	166,294	223,023	8,539	8,371	32,964	122,644	6,988	26,135	0	0	594,958
Federal	24,364	39,518	0	0	0	100,000	0	60,828	0	0	224,710
State	3,600	0	0	0	0	10,000	0	0	0	0	13,600
<i>Fair Bridges</i>											
City	163,071	132,220	145,408	369,207	82,478	62,144	66,219	1,747	207,778	125,827	1,356,099
Federal	27,029	54,000	53,627	100,000	100,000	0	0	0	0	98,500	433,156
State	5,068	500	0	10,000	10,000	0	0	0	0	0	25,568
Private	364	0	0	0	0	0	0	0	0	0	364
<i>Bridge Life Extension and Miscellaneous Work</i>											
City	85,383	181,353	25,000	54,669	129,563	71,461	105,755	94,299	118,669	169,941	1,036,093
Federal	5,489	0	0	0	0	0	90,263	39,172	100,000	0	234,924
Private	204	0	0	0	0	0	0	0	0	0	204
<i>Bridge Painting</i>											
City	585	11,451	14,009	24,759	28,000	24,249	28,000	28,000	28,000	28,000	215,053
<i>Poor Bridges</i>											
City	30,937	45,713	69,074	60,927	0	0	0	0	0	0	206,651
Federal	0	0	129,128	0	0	0	0	0	0	0	129,128
<i>Equipment for Bridge Maintenance</i>											
City	2,929	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	8,929
<i>Bridge Facilities</i>											
City	9,201	700	700	3,150	700	700	700	700	700	700	17,951
Private	100	0	0	0	0	0	0	0	0	0	100
<i>Project Type Total by Source of Funds</i>											
City	458,400	594,460	262,730	521,083	274,705	282,198	208,662	151,881	356,147	325,468	3,435,734
Federal	56,882	93,518	182,755	100,000	100,000	100,000	90,263	100,000	100,000	98,500	1,021,918
State	8,668	500	0	10,000	10,000	10,000	0	0	0	0	39,168
Private	668	0	0	0	0	0	0	0	0	0	668
<i>Project Type Total All Funds</i>	524,618	688,478	445,485	631,083	384,705	392,198	298,925	251,881	456,147	423,968	4,497,488

Department of Transportation - Highways



Highways

	(in millions)
• Street Reconstruction	\$1,488.4
• Street Resurfacing	808.3
• Sidewalk & Ramp Reconstruction	482.2
• Facility Reconstruction	61.3
TOTAL	\$2,840.2

The Ten-Year Capital Strategy for Highways of \$2.84 billion will provide for the rehabilitation of over 2,307.9 linear miles (7,677.7 linear miles) of City streets.

Street Reconstruction: Total funding in the Ten-Year Capital Strategy for street reconstruction is \$1.49 billion, which provides for the reconstruction of 223.9 linear miles (734.1 lane miles) of streets, citywide, including streets in the Rosedale section of Queens, Nostrand Avenue in Brooklyn, Pelham Parkway in The Bronx, and Forest Hill Road in Staten Island. This also includes \$121.6 million in Federal funding for the reconstruction of 14.8 linear miles of streets surrounding Ground Zero.

Street Resurfacing: The Ten-Year Capital Strategy calls for the resurfacing and milling of 2,084.0 linear miles (6,943.6 lane miles) of streets and arterial highways at a ten-year cost of \$808.3 million.

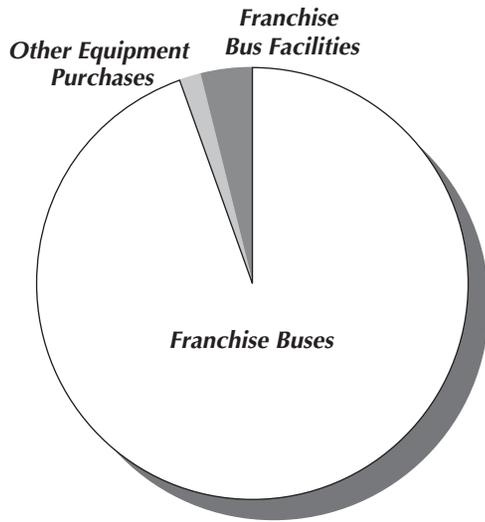
Sidewalk and Ramp Reconstruction: For the ten-year period, approximately 46.2 million square feet of sidewalks will be reconstructed throughout the City, at a cost of \$331.5 million. Additionally, pedestrian ramps will be installed at over 51,629 corners throughout the City, at a cost of \$150.7 million.

Facility Reconstruction: A ten-year total of \$61.3 million is allocated for the redesign and reconstruction of highway maintenance and repair yards, other Department facilities, and miscellaneous renovations and upgrades.

Department of Transportation - Highways

Project Type: HW											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Facility Reconstruction</i>											
City	11,273	2,000	16,000	3,000	4,000	5,000	5,000	5,000	5,000	5,000	61,273
<i>Local Street Reconstruction</i>											
City	60	0	0	0	0	0	0	0	0	0	60
<i>Local Street Resurfacing</i>											
City	0	0	391	0	0	0	0	0	0	0	391
<i>Pedestrian Ramp Construction</i>											
City	7,212	19,714	33,053	20,720	20,389	19,985	20,254	5,730	593	1,320	148,970
Federal	518	399	318	510	0	0	0	0	0	0	1,745
<i>Primary Street Reconstruction</i>											
City	112,978	91,921	139,393	119,047	136,093	133,366	138,098	150,356	158,395	163,065	1,342,712
Federal	50,009	32,919	16,666	28,421	0	0	0	0	0	0	128,015
State	5,263	2,003	5,621	0	0	0	0	0	0	0	12,887
Private	1,910	0	0	0	0	0	0	0	0	0	1,910
<i>Primary Street Resurfacing</i>											
City	78,807	79,481	80,599	78,062	79,485	80,934	82,410	83,814	82,139	82,139	807,870
<i>Sidewalk Reconstruction</i>											
City	34,392	29,663	28,363	32,036	31,829	28,419	29,986	26,893	29,030	27,796	298,407
Federal	10,114	7,323	7,353	8,083	0	0	0	0	0	0	32,873
State	193	0	0	0	0	0	0	0	0	0	193
<i>Reconstruction of Step Streets</i>											
City	2,800	0	0	0	0	0	0	0	0	0	2,800
<i>Project Type Total</i>											
<i>by Source of Funds</i>											
City	247,522	222,779	297,799	252,865	271,796	267,704	275,748	271,793	275,157	279,320	2,662,483
Federal	60,641	40,641	24,337	37,014	0	0	0	0	0	0	162,633
State	5,456	2,003	5,621	0	0	0	0	0	0	0	13,080
Private	1,910	0	0	0	0	0	0	0	0	0	1,910
<i>Project Type Total</i>											
All Funds	315,529	265,423	327,757	289,879	271,796	267,704	275,748	271,793	275,157	279,320	2,840,106

Department of Transportation - Franchise Transportation



Franchise Transportation

	(in millions)
• Franchise Buses	\$227.8
• Franchise Bus Facilities	9.4
• Other Equipment Purchases	3.8
TOTAL	\$241.0

In an effort to bring quality bus service to certain areas of the City that are not adequately served by the Transit Authority network, a Franchise Transportation program is operated with the support of City subsidies. The City is currently negotiating with the Metropolitan Transportation Authority (MTA) with the goal of transferring the franchise bus service to the MTA. The Ten-Year Capital Strategy provides a total of \$241.0 million (89% non-City funds) for the purchase of buses, equipment, and facility upgrades.

Buses and Equipment: The Ten-Year Capital Strategy provides a total of \$227.8 million (\$204.2 million in non-City funds) for the purchase of approximately 600 diesel buses and 130 Compressed Natural Gas (CNG) buses in FY04-07.

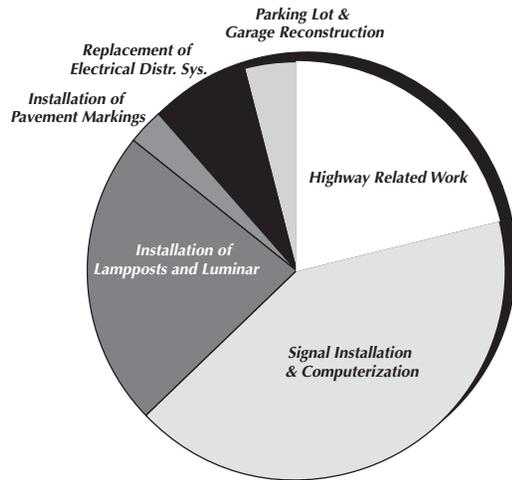
Bus Facilities: The Ten-Year Capital Strategy provides a total of \$9.4 million for the construction and improvement of bus facilities. Projects funded under this program include \$4.3 million for the construction of a vehicle emissions lab, \$2.8 million for the design of a bus facility in Queens and \$2.3 million for other improvements to bus facilities.

Other Equipment Purchases: The Ten-Year Capital Strategy provides a total of \$3.8 million for other bus-related projects and miscellaneous equipment, including \$2.6 million in non-City funding for the Automatic Vehicle Location and Control System pilot program in Queens and \$1.2 million for bus stop signs for Brooklyn and Staten Island.

Department of Transportation - Franchise Transportation

Project Type: FT	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Franchise Buses and Equipment</i>											
City	15,920	1,623	3,148	2,875	0	0	0	0	0	0	23,566
Federal	115,845	13,800	23,000	25,610	0	0	0	0	0	0	178,255
State	18,887	1,725	2,875	2,453	0	0	0	0	0	0	25,940
<i>Other Equipment Purchases</i>											
City	1,174	0	0	0	0	0	0	0	0	0	1,174
Federal	0	2,322	0	0	0	0	0	0	0	0	2,322
State	0	290	0	0	0	0	0	0	0	0	290
<i>Franchise Bus Facilities</i>											
City	1,116	0	0	0	0	0	0	0	0	0	1,116
Federal	7,331	0	0	0	0	0	0	0	0	0	7,331
State	916	0	0	0	0	0	0	0	0	0	916
<i>Project Type Total by Source of Funds</i>											
City	18,210	1,623	3,148	2,875	0	0	0	0	0	0	25,856
Federal	123,176	16,122	23,000	25,610	0	0	0	0	0	0	187,908
State	19,803	2,015	2,875	2,453	0	0	0	0	0	0	27,146
<i>Project Type Total All Funds</i>	161,189	19,760	29,023	30,938	0	0	0	0	0	0	240,910

Department of Transportation - Traffic



Traffic

(in millions)

• Signal Installation and Computerization	\$ 212.4
• Installation of Lampposts and Luminaries	118.2
• Highway Related Work	106.2
• Replacement of Electrical Distribution Systems	38.1
• Parking Lot and Garage Reconstruction	20.8
• Installation of Pavement Markings	14.2
TOTAL	\$509.9

The Ten-Year Capital Strategy provides \$509.9 million for Traffic programs.

Signal Installation and Computerization: The Ten-Year Capital Strategy provides \$212.4 million for signal installation and computerization. Of this amount, \$153.6 million will be allocated to the installation of over 2,884 new and replacement traffic signals, citywide, with the remaining \$58.8 million spent primarily on signal system modernization and computerization.

Installation of Lampposts and Luminaries: The Ten-Year Capital Strategy provides for the installation and replacement of over 11,820 new lampposts and luminaries, as well as streetlight maintenance, at a cost of \$118.2 million.

Highway Related Work: A total of \$106.2 million will be used for the installation of signals, streetlights, and lane markings associated with the Highway Reconstruction Program. A total of 223.9 linear miles of highways will be reconstructed during this ten-year period.

Replacement of Electrical Distribution Systems: In order to reduce lighting outages, the Ten-Year Capital Strategy provides for the replacement of over 1,100,000 linear feet of conduits, cable boxes, and control cabinets for the City's roadway and park lighting systems, at a total cost of \$38.1 million.

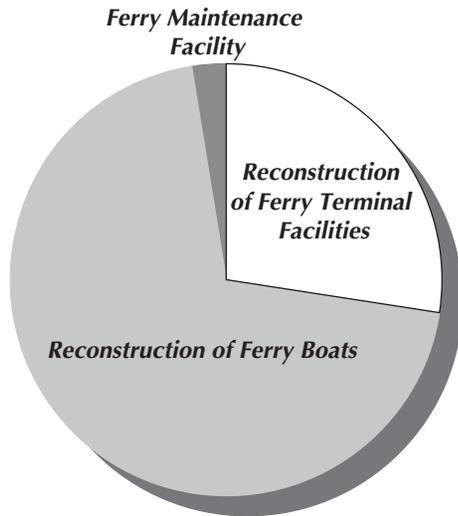
Parking Lot and Garage Reconstruction: The Ten-Year Capital Strategy provides \$20.8 million over the ten years for the rehabilitation and repair of 23 DOT off-street parking facilities.

Installation of Pavement Markings: Funding of \$14.2 million for the installation of over 82,000 linear feet of reflective markings and over 28 million linear feet of thermoplastic markings, to be done in conjunction with the Department's in-house resurfacing program.

Department of Transportation - Traffic

Project Type: TF	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Highways Related Work</i>											
City	12,800	4,958	5,837	5,091	9,377	9,646	14,881	12,797	11,880	12,278	99,545
Federal	2,934	1,559	980	1,003	0	0	0	0	0	0	6,476
State	30	101	0	0	0	0	0	0	0	0	131
<i>Installation of Lampposts and Luminaires</i>											
City	15,715	4,525	18,705	4,500	18,800	5,000	20,000	5,000	12,500	12,500	117,245
State	1,000	0	0	0	0	0	0	0	0	0	1,000
<i>Parking Lot and Garage Reconstruction</i>											
City	11,701	102	850	465	535	0	535	0	0	0	14,188
State	6,638	0	0	0	0	0	0	0	0	0	6,638
<i>Installation of Pavement Markings</i>											
City	2,400	640	2,500	0	3,140	0	2,768	0	2,800	0	14,248
<i>Replacement of Electrical Distribution Systems</i>											
City	1,500	1,700	1,700	1,800	1,800	1,900	1,900	2,000	2,000	2,000	18,300
State	3,000	1,700	1,700	1,800	1,800	1,900	1,900	2,000	2,000	2,000	19,800
<i>Signal Installation and Computerization</i>											
City	13,940	1,000	6,900	0	2,200	0	2,400	0	2,400	0	28,840
Federal	29,174	1,200	1,200	1,200	1,200	1,200	1,200	1,200	0	0	37,574
State	15,702	14,250	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	145,952
<i>Project Type Total by Source of Funds</i>											
City	58,056	12,925	36,492	11,856	35,852	16,546	42,484	19,797	31,580	26,778	292,366
Federal	32,108	2,759	2,180	2,203	1,200	1,200	1,200	1,200	0	0	44,050
State	26,370	16,051	16,200	16,300	16,300	16,400	16,400	16,500	16,500	16,500	173,521
<i>Project Type Total All Funds</i>											
All Funds	116,534	31,735	54,872	30,359	53,352	34,146	60,084	37,497	48,080	43,278	509,937

Department of Transportation - Ferries



Ferries

(in millions)

- Reconstruction of Ferry Terminal Facilities \$22.5
- Reconstruction of Ferry Boats 57.4
- Ferry Maintenance Facility 2.1
- TOTAL \$82.0**

The Ten-Year Capital Strategy for Ferries provides a total of \$82.0 million for the reconstruction and improvement of various ferry vessels and facilities.

Reconstruction of Ferry Terminal Facilities: The Ten-Year Capital Strategy includes \$22.5 million for the Department's portion of the rehabilitation and repair work to ferry terminal buildings, slips, and racks being performed in conjunction with the Economic Development Corporation (EDC). Of this amount, \$16.6 million is provided for the reconstruction of ferry slips and \$4.0 million is provided for other anticipated terminal work and related projects.

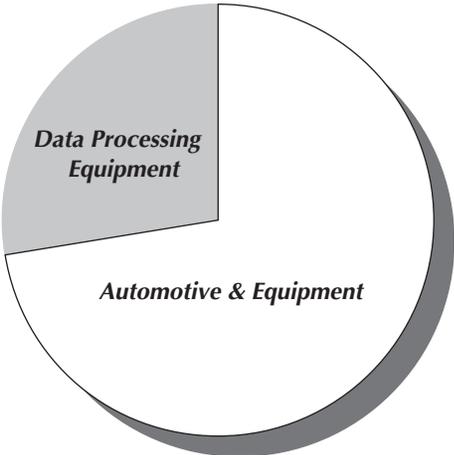
Reconstruction of Ferry Boats: The Ten-Year Capital Strategy provides \$57.4 million for various projects associated with the seven Department of Transportation-operated ferry boats. Of this amount, \$6.9 million is allocated for the continued construction of the three next generation Kennedy Class ferries (which will replace three boats that have reached the end of their 30-year useful lives). An additional \$10.0 million is allocated in FY12 and FY13 for preliminary design work on two next generation Barberi Class boats that will replace two existing vessels nearing the end of their useful lives. The remaining amount is set aside for various other ferry boat reconstruction and security projects and upgrades.

Reconstruction of Ferry Maintenance Facility: Funding of \$2.1 million split between FY05 and FY08 is included for anticipated repairs and general construction work at the ferry maintenance facilities.

Department of Transportation - Ferries

Project Type: FA	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Reconstruction of Ferry Boats</i>											
City	6,500	5,000	5,000	5,000	2,451	5,000	5,000	2,506	7,500	7,500	51,457
Federal	5,244	0	0	0	0	0	0	0	0	0	5,244
State	656	0	0	0	0	0	0	0	0	0	656
<i>Ferry Maintenance Facility Construction</i>											
City	0	1,000	0	0	1,100	0	0	0	0	0	2,100
<i>Reconstruction of Ferry Terminal Facilities</i>											
City	3,850	3,500	2,500	3,500	5,252	500	500	500	500	500	21,102
Federal	1,400	0	0	0	0	0	0	0	0	0	1,400
<i>Project Type Total by Source of Funds</i>											
City	10,350	9,500	7,500	8,500	8,803	5,500	5,500	3,006	8,000	8,000	74,659
Federal	6,644	0	0	0	0	0	0	0	0	0	6,644
State	656	0	0	0	0	0	0	0	0	0	656
<i>Project Type Total All Funds</i>	17,650	9,500	7,500	8,500	8,803	5,500	5,500	3,006	8,000	8,000	81,959

Department of Transportation - Equipment



Equipment

(in millions)

- Automotive and Other Equipment \$52.0
 - Data Processing Equipment 19.8
- TOTAL \$71.8**

The Ten-Year Capital Strategy provides \$71.8 million for the purchase of vehicles and equipment for DOT field forces and computer equipment for office automation, data processing, and engineering support.

Department of Transportation - Equipment

Project Type: TD											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Data Processing Equipment</i> City	3,688	8,100	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	19,788
<i>Automotive and Other Equipment</i> City	11,900	7,000	5,120	4,000	5,000	5,000	4,000	4,000	3,000	3,000	52,020
<i>Project Type Total by Source of Funds</i> City	15,588	15,100	6,120	5,000	6,000	6,000	5,000	5,000	4,000	4,000	71,808
<i>Project Type Total</i> All Funds	15,588	15,100	6,120	5,000	6,000	6,000	5,000	5,000	4,000	4,000	71,808
<i>Transportation Total</i>											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Total by Source of Funds</i> City	808,126	856,387	613,789	802,179	597,156	577,948	537,394	451,477	674,884	643,566	6,562,906
Federal	279,451	153,040	232,272	164,827	101,200	101,200	91,463	101,200	100,000	98,500	1,423,153
State	60,953	20,569	24,696	28,753	26,300	26,400	16,400	16,500	16,500	16,500	253,571
Private	2,578	0	0	0	0	0	0	0	0	0	2,578
All Funds	1,151,108	1,029,996	870,757	995,759	724,656	705,548	645,257	569,177	791,384	758,566	8,242,208

Transit Authority

New York City Transit (NYC Transit) operates the most extensive public transportation system in the country, serving over 2.1 billion subway and bus passengers each year. Each weekday, over 6.9 million transit rides are taken throughout the five boroughs. At least four out of every ten transit trips nationwide are estimated to take place in New York City. Despite the impact of the September 11, 2001 terrorist attack, NYCT ridership increased by 1.4% in 2002, and is up by more than 30% since January 1997 as riders have utilized unlimited ride and bonus discounts offered as part of the late-1990s "One City, One Fare" initiative.

NYC Transit maintains almost 6,300 subway cars serving 468 stations in four boroughs, a 23-station system on Staten Island, and almost 4,500 buses serving over 14,000 bus stops on 245 routes throughout the City. NYC Transit's Department of Subways maintains nearly 700 miles of subway, at-grade, and elevated track in Brooklyn, Manhattan, Queens, and the Bronx. The Staten Island Railway (SIR) operates nearly 29 miles of track. The Department of Buses operates bus service on nearly 1,700 route miles in the five boroughs. NYC Transit rail-car and bus maintenance is accomplished at two major car overhaul facilities, 13 car maintenance shops, 22 storage yards, and 18 bus depots.

Since 1982, NYC Transit has implemented five multi-year capital reconstruction programs, including the current 2000-2004 Capital Program. These plans have committed an average of over \$1 billion per year, to restore the system to a state of good repair and normal replacement, with an emphasis on service and a well-maintained fleet. By the end of 2004, the commitment to NYC Transit capital funding since 1982 is expected to exceed \$35 billion. The transit system currently benefits from a twelve month average subway car reliability of nearly 115,000 miles between failures, and there has been a measurable reduction in crime within the transit system.

Capital Program Goals

The current Capital Program includes improvements targeting subway station rehabilitation as well as the subway's signals, communications, and fare collection systems. It also includes several network expansion initiatives. More specifically, the improvements will ensure safety, reliability and performance by improving infrastructure and facilities. The Capital Program includes the purchase of 1,130 new subway cars, which will replace 927 aging cars. The additional 203 cars will be used to expand the fleet and support expanded capacity resulting from the completion of the 63rd Street Connector, as well as to help meet the recent increase in demand for service. The Capital Program also includes the purchase of 1,065 new buses (including 550 alternative fuel buses) as part of NYCT's normal replacement cycle. These new buses will expand capacity and support ridership increases resulting from recent MTA fare initiatives. Because of WTC-related damage and the City's heightened security alert, NYCT recently expanded its Capital Program to include \$488.3 million for WTC recovery. To facilitate the quick restoration of downtown service during FY02, NYCT spent \$161.7 million to replace damaged track, line structures, signals, and communications equipment. NYCT has also budgeted an additional \$326.6 million in FY03 for system-wide infrastructure and facility security upgrades.

Ten-Year Capital Strategy

In the 2004-2013 Ten-Year Capital Strategy, the City will contribute \$748.1 million to NYC Transit, including \$350.0 million for ongoing track improvements and rehabilitation included in the MTA Capital Program.

Transit Authority

Project Type: ST											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Staten Island Rapid Transit Operating Authority</i> City	500	500	500	500	500	500	500	500	500	500	5,000
<i>Project Type Total by Source of Funds</i> City	500	500	500	500	500	500	500	500	500	500	5,000
<i>Project Type Total</i> All Funds	500	500	500	500	500	500	500	500	500	500	5,000
Project Type: T											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Miscellaneous Transit Improvement Projects</i> City	34,289	34,289	34,289	34,289	34,289	34,289	34,289	34,289	34,289	34,289	342,890
<i>Miscellaneous Programs (Non-City)</i> City	250	0	0	0	0	0	0	0	0	0	250
<i>Miscellaneous Projects for New York City Transit</i> City	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
<i>IFA Trackwork Project for New York City Transit</i> City	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	350,000
<i>Project Type Total by Source of Funds</i> City	74,539	74,289	74,289	74,289	74,289	74,289	74,289	74,289	74,289	74,289	743,140
<i>Project Type Total</i> All Funds	74,539	74,289	74,289	74,289	74,289	74,289	74,289	74,289	74,289	74,289	743,140

Department of Environmental Protection

The Department of Environmental Protection (DEP) protects the environmental welfare and health of the City's residents and natural resources. The Department manages the City's water supply system, including upstate collection and downstate distribution; collects, treats, and disposes of waste and storm water; regulates the discharge of pollutants into the City's air; responds to emergencies involving hazardous materials; manages programs to clean up sites contaminated with hazardous waste and asbestos; enforces the City's noise code; and promotes water and energy conservation.

DEP manages over 2,000 square miles of watershed in upstate New York from which the City and nine upstate counties draw their supply of drinking water. In addition to a system of dams, reservoirs, aqueducts, and water tunnels, DEP maintains 6,181 miles of water mains which distribute water throughout the five boroughs, and 6,437 miles of sewers which collect waste and storm water and transport it to 14 wastewater plants. The Department also operates facilities and equipment to maintain and support these systems.

Capital Program Goals

- To maintain the quality of water in the City's watersheds and, where necessary, treat the supply to ensure that supplies continue to be of high quality;
- To maintain and improve the transmission and distribution capacity of the City's water supply system;
- To improve the quality of the surrounding estuarine waters by upgrading the City's sewage treatment facilities and by reducing pollution caused by combined sewer overflows; and
- To contain sanitary sewage and prevent flooding by replacing failing sewers and extending service to underserved areas of the City.

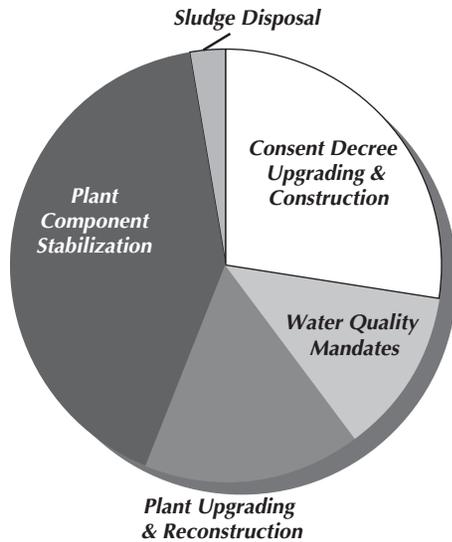
Ten-Year Capital Strategy

DEP's Capital Program, relating to the City's water and sewer systems, is financed by the New York City Municipal Water Finance Authority (Authority) and paid for by the water rates and not through the City's Operating Budget. The Ten-Year Capital Strategy includes \$16.5 billion for DEP programs, of which \$16.3 billion is Authority funded. In addition, \$1.9 billion is currently forecasted for DEP's 2004 Capital Program.

A major revision of DEP's Ten-Year Capital Strategy has been completed, increasing the funding for the program by \$8.6 billion from the Preliminary Ten-Year Capital Strategy. The water and sewer system is currently facing significant increases in the estimated costs of mandate compliance and improvements to its water supply system. This Capital Plan for the City's water and sewer system seeks to balance necessary investment in this vital service with as moderate an impact on City water and sewer ratepayers as can be achieved.

The Department's program is divided into five project types. Each is discussed separately below.

Department of Environmental Protection - Water Pollution Control



Water Pollution Control

To improve the quality of the City's estuaries and to comply with the mandates imposed by the Clean Water Act, the Ten-Year Capital Strategy allocates \$6.5 billion, of which \$200 million is State funded, towards wastewater treatment programs.

	(in millions)
• Consent Decree Upgrading & Const.	\$1,792.4
• Water Quality Mandates	803.6
• Plant Upgrading and Reconstruction	1,059.6
• Plant Component Stabilization	2,695.3
• Sludge Disposal	174.8
TOTAL	\$6,525.7

Consent Decree Upgrading and Construction: \$1.8 billion is allocated to upgrade the Newtown Creek Wastewater Treatment Plant (WWTP) to provide secondary treatment, address odor control concerns at the North River WWTP, and to complete the upgrade of the Coney Island and Owl's Head WWTP's.

Water Quality Mandates: Combined Sewer Overflows (CSOs) are currently a source of pollution in New York City waters. CSO events occur during and after rainstorms, when the flow of wastewater and stormwater in the sewers exceeds the treatment capacity of a wastewater treatment plant and therefore enters surrounding waterways untreated. DEP's Ten-Year Capital Strategy includes \$803.6 million, of which \$603.6 million is City funded, for the reduction of CSOs. DEP is exploring a Total Water Quality Approach in water bodies that are impacted by the discharge of CSOs, which will study alternatives to constructing costly retention tanks.

Plant Upgrading and Reconstruction: The Ten-Year Capital Strategy provides \$1.1 billion for the reconstruction or replacement of individual components at in-City wastewater treatment facilities or related-conveyance infrastructure to ensure their continuous and reliable operations.

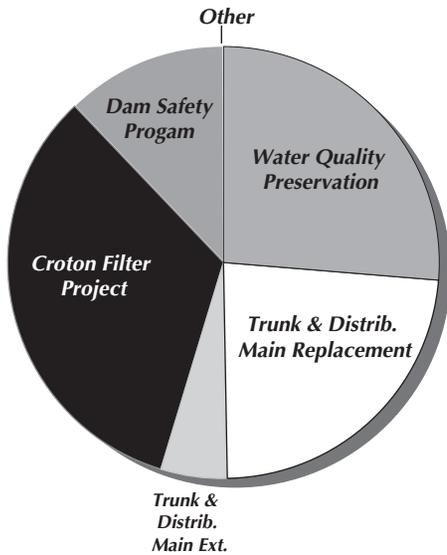
Plant Component Stabilization: \$2.7 billion to stabilize in-City wastewater treatment facilities that are in need of system-wide reconstruction to ensure their continued compliance with State permit requirements.

Sludge Disposal: The \$174.8 million in this category will be used for the construction of docking facilities to transport sludge to the dewatering plants and for the design and construction of a new sludge transport vessel.

Department of Environmental Protection - Water Pollution Control

Project Type: WP											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Consent Decree Upgrading and Construction</i> City	737,217	210,000	382,721	10,000	33,000	260,000	48,457	10,000	31,000	70,000	1,792,395
<i>Plant Upgrading and Reconstruction</i> City	71,000	102,300	148,295	81,450	209,525	86,050	100,500	93,500	83,500	83,500	1,059,620
<i>Sludge Disposal</i> City	26,500	0	0	0	0	148,250	0	0	0	0	174,750
<i>Plant Component Stabilization</i> City	300,321	620,000	65,000	0	0	345,000	325,000	330,000	345,000	365,000	2,695,321
<i>Water Quality Mandates</i> City	26,590	125,823	56,659	-11,650	44,200	31,000	16,000	205,000	10,000	100,000	603,622
State	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	0	0	200,000
<i>Project Type Total by Source of Funds</i> City	1,161,628	1,058,123	652,675	79,800	286,725	870,300	489,957	638,500	469,500	618,500	6,325,708
State	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	0	0	200,000
<i>Project Type Total All Funds</i>	1,186,628	1,083,123	677,675	104,800	311,725	895,300	514,957	663,500	469,500	618,500	6,525,708

Department of Environmental Protection - Water Mains



Water Mains

The Ten-Year Capital Strategy provides approximately \$4.2 billion for the protection and upkeep of the City's source water supply and water distribution systems including funds for the construction of a full-scale filtration plant for the Croton watershed at a cost of \$1.4 billion and the construction of an ultraviolet light water disinfection facility for the Catskill and Delaware Watersheds at a cost of \$588.0 million.

	(in millions)
• Water Quality Preservation	\$1,100.3
• Trunk and Distribution Main Replacement	979.4
• Trunk and Distribution Main Extension	207.8
• Croton Filter Project	1,388.6
• Dam Safety Program	504.6
• Corrosion Protection System	2.3
• Mapping & Telemetry	12.8
TOTAL	\$4,195.8

Department of Environmental Protection - Water Mains

Water Quality Preservation: The Ten-Year Capital Strategy calls for improvements to the watershed upstate including the continuation of the Filtration Avoidance Measures (\$139.0 million), the construction of an ultraviolet light water disinfection facility (\$588.0 million) and the repair of the leak(s) in the Delaware Aqueduct (\$101.0 million).

Trunk and Distribution Main Replacement: This category includes the replacement of approximately 464 miles of distribution and trunk mains at a total cost of \$979.4 million.

Trunk and Distribution Main Extension: This category includes the extension of approximately 100 miles of distribution and trunk mains at a total cost of \$207.8 million.

Croton Filter Project: The construction of the Croton Filtration Plant at the Mosholu Golf Course in the Bronx has been delayed due to the February 2001, New York State Court of Appeals ruling stating that the City must receive New York State legislative approval before construction can begin on the parkland. DEP is currently seeking legislative approval and weighing alternative options, including a smaller plant. The total commitment of this project is \$1.4 billion during this Plan.

Dam Safety Program: This category includes the reconstruction of dams in the Croton watershed (\$122.5 million) and the initiation of design and reconstruction of the dams in the Catskill and Delaware watersheds (\$335.0 million).

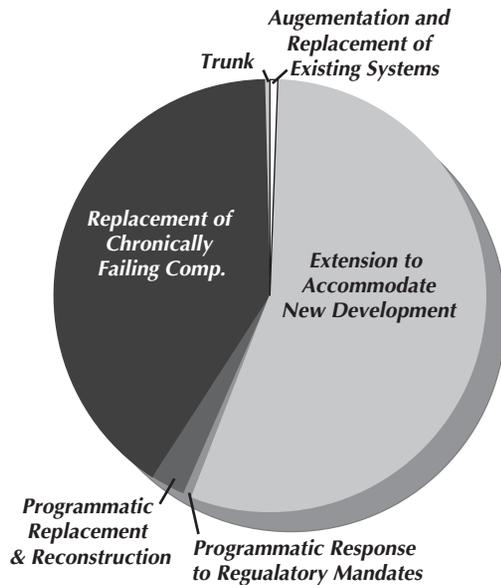
Corrosion Protection System: This category includes \$2.3 million to investigate methods to protect the water distribution system from corrosion.

Mapping and Telemetry: This category includes \$2.8 million for improvements to DEP's water distribution telemetry system and \$10.0 million for Geographic Information System water main mapping.

Department of Environmental Protection - Water Mains

Project Type: WM	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Croton Filter Project</i> City	11,000	115,600	415,000	415,000	425,000	0	7,000	0	0	0	1,388,600
<i>Corrosion Protection System</i> City	0	0	2,300	0	0	0	0	0	0	0	2,300
<i>Dam Safety Program</i> City	60,133	112,100	27,375	0	305,000	0	0	0	0	0	504,608
<i>Mapping and Telemetry</i> City	10,000	0	2,800	0	0	0	0	0	0	0	12,800
<i>Trunk and Distribution Main Extension</i> City	41,008	70,904	20,402	21,873	23,355	5,729	5,872	6,031	6,206	6,398	207,778
<i>Trunk and Distribution Main Replacement</i> City	94,096	61,955	70,326	91,127	106,745	110,271	110,128	109,969	111,534	113,256	979,407
<i>Water Quality Preservation</i> City	176,001	247,242	116,755	458,386	11,300	11,609	11,927	11,255	11,593	44,191	1,100,259
<i>Project Type Total by Source of Funds</i> City	392,238	607,801	654,958	986,386	871,400	127,609	134,927	127,255	129,333	163,845	4,195,752
<i>Project Type Total</i> All Funds	392,238	607,801	654,958	986,386	871,400	127,609	134,927	127,255	129,333	163,845	4,195,752

Department of Environmental Protection - Sewers



Sewers

Approximately \$1.3 billion will be committed over the next ten years to replace existing sewers in areas requiring increased capacity, to extend sewers to unserved or underserved areas, and to replace failing, flawed, or collapsed sewer mains.

	(in millions)
• Augmentation and Replacement of Existing Systems	\$7.7
• Extensions to Accommodate New Development	724.9
• Programmatic Response to Regulatory Mandates	9.0
• Programmatic Replacement and Reconstruction	33.8
• Replacement of Chronically Failing Components	530.1
• Trunk and Distribution Main Replacement	5.3
TOTAL	\$ 1,310.8

Augmentation and Replacement of Existing Systems: The Ten-Year Capital Strategy provides \$7.7 million to increase capacity of the existing system through projects such as blue-belt acquisitions in Staten Island.

Extensions to Accommodate New Development: Work in this category continues the program to construct additional segments or extensions of approximately 173 miles of sewers into underserved areas, primarily in Queens and Staten Island. Priority is given to areas that are presently served only by septic systems and sanitary drains, and to areas that are experiencing flooding problems because no storm sewers exist. The \$724.9 million provided over the next ten years will include the continued construction of storm sewers to alleviate flooding in Southeastern Queens.

Programmatic Response to Regulatory Mandates: Approximately 3.4 miles of sewers must be constructed to separate the existing combined sewer system in order to meet permit requirements. State Pollution Discharge Elimination System (SPDES) permits require the City to reduce sewage discharge into surrounding waters during storms. This program will cost \$9.0 million.

Programmatic Replacement and Reconstruction: The \$33.8 million allocated provides for the systematic replacement of chronically failing cement pipe sewers and replacement of brick sewers in Manhattan.

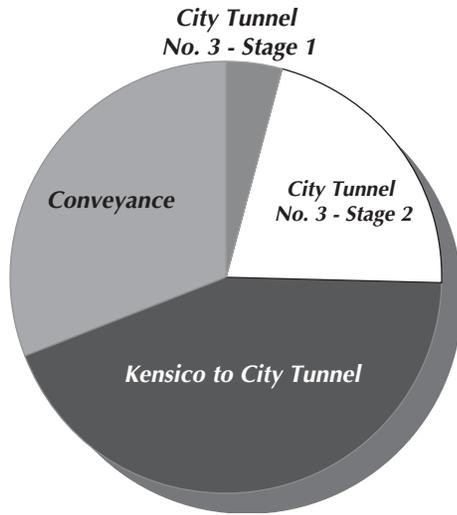
Replacement of Chronically Failing Components: The Ten-Year Capital Strategy provides \$530.1 million for the replacement of approximately 177 miles of malfunctioning or collapsed cement pipe combined sewers.

Trunk and Distribution Main Replacement: Replacement and reconstruction of sewers throughout the City for \$5.3 million.

Department of Environmental Protection - Sewers

Project Type: SE	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Replacement or Augmentation of Existing Systems</i> City	3,696	3,600	0	476	0	0	0	0	0	0	7,772
<i>Extensions to Accommodate New Development</i> City	87,180	56,884	50,499	68,135	56,057	83,802	70,800	89,801	69,219	92,560	724,937
<i>Programmatic Response to Regulatory Mandates</i> City	0	9,000	0	0	0	0	0	0	0	0	9,000
<i>Programmatic Replacement and Reconstruction</i> City	4,200	5,200	0	3,200	4,900	3,200	3,200	3,200	3,293	3,395	33,788
<i>Replacement of Chronically Failing Components</i> City	97,710	55,245	36,189	52,189	53,043	46,998	45,000	45,999	49,127	48,587	530,087
<i>Trunk and Distribution Main Replacement</i> City	125	0	5,136	0	0	0	0	0	0	0	5,261
Private	12	0	0	0	0	0	0	0	0	0	12
<i>Project Type Total by Source of Funds</i> City	192,911	129,929	91,824	124,000	114,000	134,000	119,000	139,000	121,639	144,542	1,310,845
Private	12	0	0	0	0	0	0	0	0	0	12
<i>Project Type Total</i> All Funds	192,923	129,929	91,824	124,000	114,000	134,000	119,000	139,000	121,639	144,542	1,310,857

Department of Environmental Protection - Water Supply



Water Supply

Approximately \$3.9 billion will be committed over the next ten years to begin work on the Kensico to City Tunnel, Conveyance issues and to complete work on Stages 1 and 2 of City Tunnel No. 3.

	(in millions)
• Kensico to City Tunnel	\$1,715.0
• Conveyance	1,215.0
• City Tunnel No. 3 - Stage 1	164.5
• City Tunnel No. 3 - Stage 2	833.0
• Miscellaneous Programs	11.0
TOTAL	\$3,938.5

Kensico to City Tunnel: DEP will commit \$1.7 billion in this Ten-Year Capital Strategy towards the construction of the Kensico to City Tunnel. The Kensico to City Tunnel will be 16 mile long tunnel from the Kensico Reservoir to the Van Cortlandt Park Valve Chamber, bypassing the Hillview Reservoir. This tunnel will provide redundancy for the sections of the Catskill and Delaware Aqueducts that run from the Kensico Reservoir in Westchester County to the City.

Conveyance: DEP will commit \$1.2 billion in this Ten-Year Capital Strategy towards Conveyance issues. This program will research and develop alternate water supplies for the City in order to provide more dependability within the Water System. The alternate water supplies could be used during drought situations, repairs and inspections of existing aqueducts and tunnels and to augment the City's daily water supply.

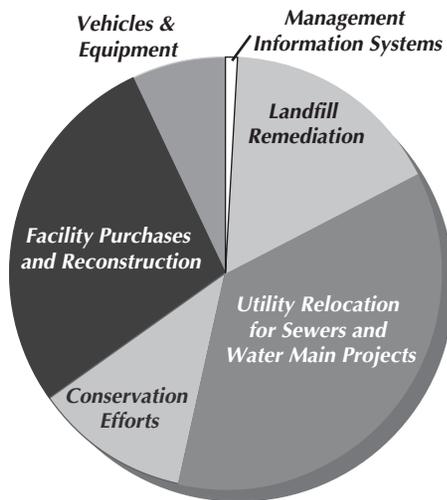
City Tunnel No. 3 - Stage 1: DEP will commit \$164.5 million in this Ten-Year Capital Strategy for construction work at the Hillview Reservoir including the modification of chambers, the construction of a chlorination building and the construction of a monitoring building.

City Tunnel No. 3 - Stage 2: In order to complete the construction of Stage Two, DEP will commit \$833.0 million in this Ten-Year Capital Strategy. The bulk of this amount will be committed towards the construction of Shaft sites 24B through 30B on the west side of Manhattan (\$607.0 million) and the construction of the shaft sites on the east side of Manhattan (\$150.0 million).

Department of Environmental Protection - Water Supply

Project Type: W	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Conveyance</i> City	40,000	0	0	100,000	100,000	0	425,000	0	550,000	0	1,215,000
<i>Kensico-City Tunnel</i> City	15,000	0	50,000	0	0	500,000	150,000	500,000	0	500,000	1,715,000
<i>Miscellaneous Programs</i> City	1,000	10,000	0	0	0	0	0	0	0	0	11,000
<i>City Tunnel No. 3, Stage 1</i> City	2,071	133,100	20,000	6,500	0	0	0	0	2,800	0	164,471
<i>City Tunnel No. 3, Stage 2</i> City	13,000	35,000	257,000	8,000	355,000	0	150,000	0	15,000	0	833,000
<i>Project Type Total by Source of Funds</i> City	71,071	178,100	327,000	114,500	455,000	500,000	725,000	500,000	567,800	500,000	3,938,471
<i>Project Type Total</i> All Funds	71,071	178,100	327,000	114,500	455,000	500,000	725,000	500,000	567,800	500,000	3,938,471

Department of Environmental Protection - Equipment



Equipment & Miscellaneous Programs

A total of \$567.9 million, including \$72.6 million in State funds, is allocated for the water meter installation program, toilet retrofit program; landfill remediation, facility purchases and reconstruction, payments for utility line relocation related to sewer and water main construction and reconstruction, and for equipment purchases, including laboratory instruments, vehicles, and computers.

	(in millions)
• Landfill Remediation	\$93.7
• Utility Relocation for Sewer and Water Main Projects	204.9
• Conservation Efforts	66.4
• Facility Purchases and Reconstruction	157.8
• Vehicles and Equipment	40.0
• Management Information Systems	5.1
TOTAL	\$567.9

Landfill Remediation: Of the \$93.7 million allocated for this category, \$92.3 million funds the remediation of the City's inactive landfill at Brookfield Avenue in Staten Island. This project qualifies for \$72.6 million in reimbursement from the State under the Environmental Quality Bond Act. The remainder of this program will be funded with \$20.7 million of City General Obligation bonds rather than bonds supported by Water and Sewer rates.

Utility Relocation for Sewer and Water Main Projects: \$204.9 million is allocated for the City's cost sharing agreement with Brooklyn Union Gas, Con Edison, and LIPA. The City is required to pay 51% of gas utility work that is impacted by water and sewer construction projects.

Conservation Efforts: \$66.4 million is allocated for efforts to reduce consumption of water through the installation of water meters in residential properties for \$48.4 million and \$18.0 million for the continuation of the plumbing retrofit rebate program.

Facility Purchases and Reconstruction: \$157.8 million is allocated for the reconstruction and rehabilitation of various water and sewer field operations facilities and DEP administrative offices.

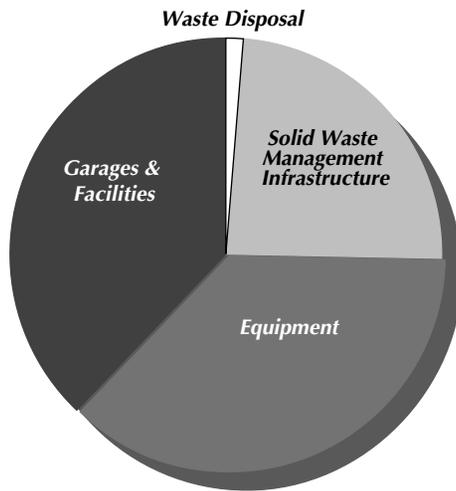
Vehicles and Equipment: \$40.0 million is allocated to the systematic replacement of vehicles and equipment used for water and sewer field operations, plant maintenance, upstate maintenance, and customer service operations.

Management Information Systems: \$5.1 million is allocated for improvements in DEP's GIS mapping system for the Filtration Avoidance Program, as well as equipment improvements corresponding with various facility upgrades.

Department of Environmental Protection - Equipment

Project Type: EP											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Conservation for Water Meter Replacements</i> City	28,000	4,223	4,223	4,223	4,223	4,223	4,223	4,223	4,345	4,480	66,386
<i>Management Information Systems</i> City	1,740	1,892	860	635	0	0	0	0	0	0	5,127
<i>Landfill Remediation</i> City	400	20,698	0	0	0	0	0	0	0	0	21,098
	0	72,563	0	0	0	0	0	0	0	0	72,563
<i>Facility Purchases and Reconstruction</i> City	26,768	52,500	500	27,500	12,375	38,118	0	0	0	0	157,761
<i>Utility Relocation for SE and WM Projects</i> City	21,115	20,465	20,480	20,375	20,375	20,375	20,375	20,405	20,435	20,510	204,910
<i>Vehicles and Equipment</i> City	4,056	4,000	4,000	3,999	4,000	4,000	4,000	4,000	4,000	4,000	40,055
<i>Project Type Total by Source of Funds</i> City	82,079	103,778	30,063	56,732	40,973	66,716	28,598	28,628	28,780	28,990	495,337
	0	72,563	0	0	0	0	0	0	0	0	72,563
<i>Project Type Total All Funds</i>	82,079	176,341	30,063	56,732	40,973	66,716	28,598	28,628	28,780	28,990	567,900
<i>Environmental Protection Total</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Total by Source of Funds</i> City	1,899,927	2,077,731	1,756,520	1,361,418	1,768,098	1,698,625	1,497,482	1,433,383	1,317,052	1,455,877	16,266,113
Federal	0	0	0	0	0	0	0	0	0	0	0
State	25,000	97,563	25,000	25,000	25,000	25,000	25,000	25,000	0	0	272,563
Private	12	0	0	0	0	0	0	0	0	0	12
All Funds	1,924,939	2,175,294	1,781,520	1,386,418	1,793,098	1,723,625	1,522,482	1,458,383	1,317,052	1,455,877	16,538,688

Department of Sanitation



The Department of Sanitation (DOS) is responsible for keeping the City clean by collecting and disposing of garbage through export; collecting and processing recyclable materials; cleaning the streets of litter, snow, and ice; removing debris from vacant lots; and tagging and removing derelict vehicles. In addition, the Department enforces compliance with the Health and Administrative Codes to prevent illegal dumping and to ensure proper operation of solid waste transfer stations and safe disposal of hazardous, medical, and asbestos waste.

The Department currently disposes through export approximately 13,000 tons per day of the City's refuse. Sanitation requires the use of almost 5,600 vehicles for its operations. DOS also operates 61 local sanitation garages from which it dispatches all community collection, cleaning, and recycling services.

Capital Program Goals

- To upgrade the capital plant and replace antiquated and leased facilities;
- To replace overage vehicles and follow vehicle replacement cycles to maintain an adequate and reliable fleet; and
- To implement an efficient and economically viable long-term waste disposal strategy that minimizes negative environmental impacts and maximizes flexibility and access to available disposal alternatives.

Ten-Year Capital Strategy

In an effort to provide adequate collection, cleaning, recycling, and waste export services to New York City and to meet the Department's capital goals, the Ten-Year Capital Strategy responds to projected needs in four primary areas:

	(in millions)
• Waste Disposal	\$29.5
• Solid Waste Management Infrastructure	546.3
• Equipment	837.8
• Garages and Facilities	861.2
TOTAL	\$2,274.7

DOS's Ten-Year Capital Strategy reflects priorities intended to preserve options for the City's long-term waste management system. Additionally, the Ten-Year Capital Strategy provides for a continued commitment to upgrade those capital elements necessary to perform daily operations effectively.

Waste Disposal

Approximately 1 percent of DOS's total Ten-Year Capital Strategy is dedicated to providing for waste disposal infrastructure unrelated to the long term waste export plan. Funding is provided for Fresh Kills Landfill end use development, and acquisition of wetlands near the landfill.

Department of Sanitation

Solid Waste Management Infrastructure

Approximately 24 percent of DOS's total Ten-Year Capital Strategy is dedicated to Solid Waste Management Infrastructure. Funding is provided for the facilities and infrastructure necessary for the long term waste export plan.

Equipment

Approximately 37 percent of DOS's total Ten-Year Capital Strategy is dedicated to equipment acquisition. To perform its day-to-day and emergency operations effectively, DOS must maintain an adequate and reliable fleet of vehicles. The Department's goal is to replace overage vehicles based on fleet size need and the expected useful life of each type of equipment.

Garages

Approximately 38 percent of DOS's total Ten-Year Capital Strategy is dedicated to the construction and reconstruction of garages. Funding is provided for site acquisition and construction of new garages, required to replace existing facilities that may be undersized, sited outside their service district, or require relocating as part of other large-scale City initiatives. The Ten-Year Capital Strategy includes funding for the rehabilitation of existing facilities necessary to address safety issues and provides funding for the construction of salt sheds to cover exposed salt.

Department of Sanitation

Project Type: S

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Garages and Facilities</i>											
City	29,449	120,626	124,750	115,200	94,950	65,262	63,700	50,960	93,916	102,389	861,202
<i>Equipment</i>											
City	59,567	34,394	65,447	80,231	86,325	91,780	91,282	118,863	102,627	100,247	830,763
State	7,000	0	0	0	0	0	0	0	0	0	7,000
<i>Solid Waste Management</i>											
City	58,637	487,664	0	0	0	0	0	0	0	0	546,301
<i>Waste Disposal</i>											
City	-10,903	1,629	12,500	10,000	10,000	0	0	0	0	0	23,226
State	6,250	0	0	0	0	0	0	0	0	0	6,250
<i>Project Type Total by Source of Funds</i>											
City	136,750	644,313	202,697	205,431	191,275	157,042	154,982	169,823	196,543	202,636	2,261,492
State	13,250	0	0	0	0	0	0	0	0	0	13,250
<i>Project Type Total All Funds</i>	150,000	644,313	202,697	205,431	191,275	157,042	154,982	169,823	196,543	202,636	2,274,742

Department of Correction

The Department of Correction (DOC) provides custody, care and control of detainees awaiting trial or sentence, convicted offenders sentenced to one year or less, convicted offenders awaiting transfer to State correction facilities, State prisoners with court appearances in New York City, and parole violators awaiting parole revocation hearings.

DOC operates 15 jails, including 10 Rikers Island facilities and 5 borough facilities. It also manages court detention facilities in each borough, and prison wards in three City hospitals. Cumulatively, the Department's jails have a maximum physical capacity of 20,897 beds. Through February 2003, the FY 2003 average daily population was 14,614.

Capital Program Goals

- To ensure that sufficient capacity is available to meet the security, programmatic, health, and safety needs of the existing and projected population;
- To replace aging modular and sprung housing units with new permanent housing facilities;
- To upgrade existing support areas to provide sufficient space for educational, health and administrative services and to improve kitchen facilities and fire/life safety systems;
- To maintain the appropriate replacement cycles of vehicles, security equipment, fencing, and communication equipment; and
- To maintain existing infrastructure and building systems to ensure the preservation of the physical plant.

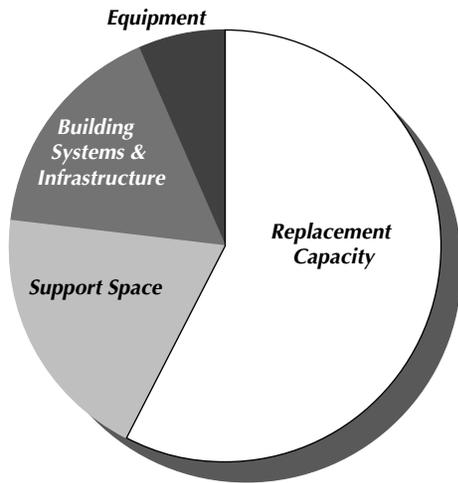
Ten-Year Capital Strategy

Over the past several years the Department has implemented population management strategies that have effectively reduced the inmate population. This has enabled the Department to concentrate on upgrading rather than adding capacity and has given the Department the flexibility to close entire or significant portions of jails. This allows DOC to conduct major reconstruction and capital improvement projects with little disruption to its operation. It also saves the City operating and capital costs and enhances safety and security.

During the late 1980's and early 1990's, the Department expanded its capacity by adding modular units and sprung. These housing areas were built as temporary structures to accommodate the rapid increase in inmate population during that period. Many of these housing areas are now reaching the end of their useful lives. Therefore, over the next ten years, the Department will replace these temporary structures with permanent facilities that will provide operational and security advantages as well as a safe and healthy environment for staff and inmates.

As the Department begins its modular replacement program, it will complete two long-term health and safety programs: Cook-Serve and Fire/Life Safety. The final commitments for the reconstruction and expansion of facility kitchens are planned in 2003, while the last commitments for the upgrade of fire safety systems are planned in 2010.

Department of Correction



The improvement of Rikers Island infrastructure continues to be a major component of DOC's capital program. The strategy includes funding to replace and upgrade security, to complete water and steam distribution systems, and to complete the permanent power project at Rikers Island. In addition, information systems, telecommunication equipment, and security apparatus will be upgraded.

	(in millions)
• Replacement Capacity	\$820.8
• Support Space	275.5
• Building Systems and Infrastructure	236.3
• Equipment	93.4
TOTAL	\$ 1,426.1

Replacement Capacity

Fifty-eight percent of DOC's ten-year allocation will be spent on capacity that will replace existing modular units and sprung. A total of 5,248 beds will be replaced over the ten-year period. During the first four years, 2,096 beds will be replaced. The new capacity will include a 448-cell Central Punitive Segregation Unit at the George R. Vierno Center, an 800-bed dormitory addition to the Rose M. Singer Center, a 200-bed dormitory addition to the Adolescent Reception Detention Center, a 200-bed dormitory addition to the Eric M. Taylor Center (EMTC), and a 448-cell addition to the George Motchan Detention Center.

Support Space

The Department has allocated \$275.5 million to improve and construct support facilities. New construction includes a visit house at EMTC and a Maintenance Building on Rikers Island.

Building Systems and Infrastructure

Of the \$236.3 million for Building Systems and Infrastructure, \$54.7 million is for the interior renovation of facilities, \$28.9 million is for the upgrade of fire safety systems and \$21.9 million is for the reconstruction of the facades at various facilities. The remaining funds will be used for general infrastructure projects including the reconstruction of roofs, ceilings, showers, and dayrooms; and the upgrade of plumbing, heating, ventilation, and air conditioning, as well as electrical and mechanical systems.

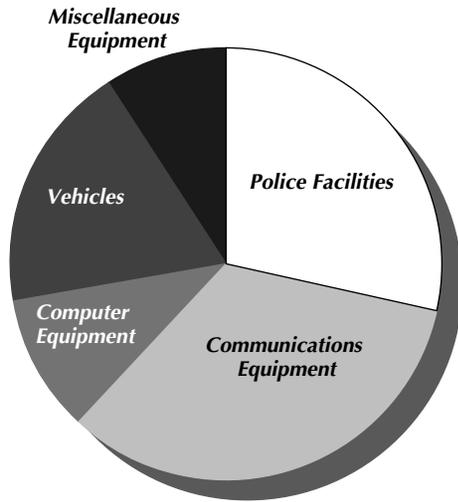
Equipment

The Department plans to commit \$93.4 million during the Ten-Year Capital Strategy to upgrade and replace vehicles, computers, security equipment, and communication systems.

Department of Correction

Project Type: C	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Support Space</i> City	13,263	8,365	8,900	0	25,192	67,271	0	83,683	68,807	0	275,481
<i>Equipment</i> City	15,831	11,287	15,348	5,987	21,696	13,900	4,000	3,389	2,000	0	93,438
<i>Replacement Capacity</i> City	31,069	47,322	69,098	107,114	80,935	156,873	0	66,000	93,261	169,155	820,827
<i>Building Systems and Infrastructure</i> City	31,831	31,796	28,096	17,102	62,007	30,166	25,591	6,000	0	0	232,589
Federal	0	0	0	0	0	3,750	0	0	0	0	3,750
<i>Project Type Total by Source of Funds</i> City	91,994	98,770	121,442	130,203	189,830	268,210	29,591	159,072	164,068	169,155	1,422,335
Federal	0	0	0	0	0	3,750	0	0	0	0	3,750
<i>Project Type Total</i> All Funds	91,994	98,770	121,442	130,203	189,830	271,960	29,591	159,072	164,068	169,155	1,426,085

Police Department



The principal mission of the Police Department is to maintain public safety and security, respond to calls for emergency aid and to conduct investigations of criminal activity.

The Police Department occupies over 200 facilities which are City-owned, leased or authorized by permit or agreement. The Department's facilities can be categorized into the following areas: precincts, housing districts, public service areas, highway units, anti-crime units, mounted troops, aviation unit, administrative buildings, training facilities and storage facilities.

Capital Program Goals

- To maintain safe and proper replacement cycles for all equipment necessary for policing activities (vehicles, communications equipment, and computers);
- To bring all facilities and building systems up to a state of good repair and to ensure the continued usefulness of Department facilities; and
- To enhance policing efforts by upgrading and purchasing new equipment.

Ten-Year Capital Strategy

The Ten-Year Capital Strategy provides funding to maintain the replacement cycles of buildings and equipment and to upgrade necessary systems. The five categories in this Strategy focus on the replacement and upgrade of existing facilities and equipment:

	(in millions)
• Police Facilities	\$ 137.6
• Communications Equipment	161.7
• Computer Equipment	49.7
• Vehicles	89.8
• Miscellaneous Equipment	44.3
TOTAL	\$ 483.1

Police Department

Police Facilities

The capital program includes \$100.8 million for the replacement, rehabilitation or maintenance of facilities citywide.

Communications

The Department will focus on maintaining life cycle replacements for all communications equipment to permit efficient operations. Equipment in this category includes \$94.7 million for the radio system, \$56.5 million for portable radios and \$8.3 million for mobile radios.

Computer Equipment

The Department will replace and upgrade computer equipment, including \$12.0 million for arrest processing equipment, \$7.5 million for the online warrant system and \$2.2 million for an automated fingerprint identification system.

Vehicles

This \$89.8 million allocation will fund the life cycle replacement of operational and support vehicles.

Miscellaneous Equipment

The Ten-Year Capital Strategy also allocates \$44.3 million for a diverse range of support equipment, such as mobile data computers, diesel marine engines, forensic imaging equipment, counterterrorism equipment and other equipment essential to preserving public safety.

Police Department

Project Type: PO

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Communications Equipment</i> City	16,557	18,759	21,598	19,676	20,543	21,571	21,036	21,972	0	0	161,712
<i>Computer Equipment</i> City	7,353	10,149	18,752	5,150	2,075	5,075	0	1,098	0	0	49,652
<i>Miscellaneous Equipment</i> City	11,135	1,886	2,091	2,169	2,614	4,529	1,584	984	7,683	9,672	44,347
<i>Police Facilities</i> City	38,480	10,312	9,626	11,500	10,100	8,884	8,589	8,589	16,386	15,120	137,586
<i>Vehicles</i> City	20,951	5,744	4,377	13,219	8,784	18,774	9,973	3,572	2,167	2,235	89,796
<i>Project Type Total</i> <i>by Source of Funds</i> City	94,476	46,850	56,444	51,714	44,116	58,833	41,182	36,215	26,236	27,027	483,093
<i>Project Type Total</i> All Funds	94,476	46,850	56,444	51,714	44,116	58,833	41,182	36,215	26,236	27,027	483,093

Courts

State law requires that localities provide court facilities suitable and sufficient to meet the needs of the State's Unified Court System. To fulfill this mandate, the City developed and the State Court Facilities Capital Review Board approved a Master Plan to build new court facilities and to renovate existing court buildings throughout the City. Since its initial approval in 1992, the Master Plan has been amended periodically to accommodate the needs as well as the resources of both the State and City. The fiscal year 2004 Capital Strategy reflects the City's current ten-year strategy to provide appropriate and adequate court facilities. The implementation of this program, as proposed, will require a Master Plan amendment and approval by the Court Facilities Capital Review Board.

Capital Program Goals

- To construct new court facilities which meet the needs of the court system; and
- To reconstruct and renovate existing court facilities to ensure continued usefulness.

Ten -Year Capital Strategy

The current total funding for court facilities is \$1.2 billion.

New construction projects include:

	(in millions)
• The Brooklyn Criminal/Family Court building at 330 Jay Street	\$628.0
• The Queens Criminal Court (West Wing Addition) in Kew Gardens	\$76.3
• The Staten Island Criminal/Family Court building in St. George	\$40.4

Renovation projects include:

	(in millions)
• The expansion of Supreme Civil Court and Civil Court at 851 Grand Concourse in the Bronx	\$89.2
• The expansion of Family Court at 215 East 161 Street in the Bronx	\$45.9
• The renovation and conversion of the Brooklyn Family Court building to Housing Court at 283 Adams Street	\$40.9
• The renovation of the Civil Court building at 111 Centre Street in Manhattan	\$26.1
• The renovation of the Brooklyn Criminal Court building at 120 Schermerhorn Street	\$24.0

Courts

Project Type: CO											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Construction of New Court Facilities</i> City	631,088	10,308	0	0	91,478	8,492	3,310	0	0	0	744,676
<i>Improvement and Expansion of Court Facilities</i> City	663	0	90,869	2,000	2,000	2,000	2,000	2,000	2,000	2,000	105,532
<i>Reconstruction/Renovation of Court Facilities</i> City	64,076	42,519	75,255	14,149	64,867	12,588	8,037	41,213	18,277	17,915	358,896
State	640	0	0	0	0	0	0	0	0	0	640
<i>Project Type Total by Source of Funds</i> City	695,827	52,827	166,124	16,149	158,345	23,080	13,347	43,213	20,277	19,915	1,209,104
State	640	0	0	0	0	0	0	0	0	0	640
<i>Project Type Total All Funds</i>	696,467	52,827	166,124	16,149	158,345	23,080	13,347	43,213	20,277	19,915	1,209,744

Department of Juvenile Justice

The Department of Juvenile Justice operates secure detention facilities in Brooklyn and the Bronx; provides non-secure detention services at agency-operated and contracted group homes; transports detainees from detention facilities to the Family, Criminal, and Supreme Courts; supervises detainees held in Family Court detention rooms; and provides community-based preventive and aftercare services.

The Ten-Year Capital Strategy includes funding for the renovation of the Bridges Detention Center in the Bronx and upgrades of security, heating and ventilation systems at the Horizon Detention Center in the Bronx and Crossroads Detention Center in Brooklyn.

Capital Program Goals

The primary goal of the capital plan is to renovate juvenile detention facilities and to provide a safe and secure environment for juvenile detainees and staff.

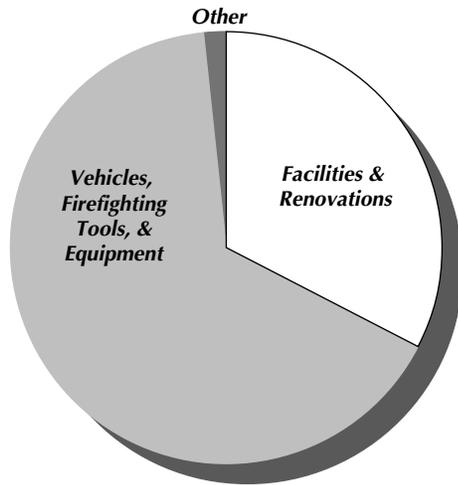
Ten-Year Capital Strategy

The Ten-Year Capital Strategy totals \$23.3 million, which includes \$7.7 million for renovation work at the Bridges Detention Facility in the Bronx, \$0.9 million for security and control systems upgrades at the Horizon and Crossroads detention facilities and \$0.4 million for the construction of a vehicle inspection station at the Horizon Detention Center in the Bronx.

Department of Juvenile Justice

Project Type: JJ	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Construction of Secure Detention Facilities</i> City	9,461	1,400	1,400	1,400	1,400	1,400	1,435	1,471	1,513	1,560	22,440
<i>Reconstruction of Secure Detention Facilities</i> City	888	0	0	0	0	0	0	0	0	0	888
<i>Project Type Total</i> <i>by Source of Funds</i> City	10,349	1,400	1,400	1,400	1,400	1,400	1,435	1,471	1,513	1,560	23,328
<i>Project Type Total</i> All Funds	10,349	1,400	1,400	1,400	1,400	1,400	1,435	1,471	1,513	1,560	23,328

Fire Department



The Fire Department is responsible for protecting the lives and the property of the citizens of New York City from fire, medical and other emergencies, and from building hazards. The Fire Department extinguishes fires, promotes fire prevention awareness, investigates suspicious fires, provides ambulance and pre-hospital emergency medical services, and inspects for building safety. The 362 Fire Companies, including 203 Engine Companies, 143 Ladder Companies, seven Squads, five Rescue Units, three Marine Companies, and one Hazardous Materials Unit, provide fire and rescue services, while public outreach and enforcement of New York City's fire codes promote fire prevention. The Department's Fire Marshals investigate arson cases and apprehend perpetrators. The Bureau of Emergency Medical Services (EMS), along with the Certified First Responder - Defibrillation (CFR-D) trained personnel responding from Engine Companies, provide ambulance transport and pre-hospital emergency medical care. Building inspectors enforce the various building code regulations. To support these activities, the Department's facilities include 223 firehouses, three marine stations, and ancillary facilities such as administration, training, repair operations, communications offices, and fire investigation bases.

Capital Program Goals

- To maintain emergency equipment in optimal service condition;
- To maintain the Department's facilities in safe condition; and
- To enhance emergency response capability.

Ten-Year Capital Strategy

The Department's Ten-Year Capital Strategy provides for the acquisition of equipment and facilities, communications and computer systems to maintain fire-fighting capability and to provide emergency medical assistance.

	(in millions)
• Facilities Renovation	\$ 144.9
• Vehicles, Fire-fighting Tools, and Equipment	292.4
• Communications	6.3
• Electronics and Data Processing	1.2
TOTAL	\$ 444.8

Fire Department

The Ten-Year Capital Strategy allocates \$444.8 million to the Department.

Facilities Renovation

Many of the 223 firehouses located throughout the five boroughs were built before the turn of the century and are in need of renovations. The Ten-Year Capital Strategy provides \$77.1 million to replace building components within individual firehouses. Another \$24.0 million is included for the complete rehabilitation of firehouses. In addition, \$9.2 million is provided for the renovation, acquisition, and construction of EMS ambulance stations. The Ten-Year Capital Strategy funds \$34.5 million for the acquisition, design and construction of a new fleet maintenance facility.

Vehicles, Fire-fighting Tools, and Equipment

The Department's mandate to procure front-line vehicles on a predetermined replacement cycle, usually 11 years, requires that the Ten-Year Capital Strategy provide for the scheduled replacement of these vehicles. The Ten-Year Capital Strategy provides \$292.4 million for both mandated and support vehicle replacement and necessary fire-fighting tools and equipment.

Communications and Electronic Data Processing

Funding has been allocated for the development and upgrade of the Department's Communications Systems, including an upgrade of the Department's Local Area Network (\$1.2 million).

Fire Department

Project Type: F	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Communications</i> City	2,986	881	634	622	200	200	200	200	200	200	6,323
<i>Electronics and Data Processing</i> City	0	0	150	150	150	150	150	150	150	150	1,200
<i>New Facilities and Renovations</i> City	19,147	27,359	46,937	9,890	14,174	10,227	9,887	3,939	2,345	1,000	144,905
<i>Vehicles, Firefighting Tools and Equipment</i> City	26,056	12,228	18,321	25,280	17,542	29,873	36,225	60,162	43,865	22,858	292,410
<i>Project Type Total by Source of Funds</i> City	48,189	40,468	66,042	35,942	32,066	40,450	46,462	64,451	46,560	24,208	444,838
<i>Project Type Total</i> All Funds	48,189	40,468	66,042	35,942	32,066	40,450	46,462	64,451	46,560	24,208	444,838

Department of Education

The New York City public school system, with approximately 1,500 school buildings and support facilities (including transportables and leased facilities) served over a million pupils in the 2002-2003 school year, in pre-kindergarten through grade 12. This vast operation has a complex mandate: to impart basic educational skills and vocational training; to provide pupils with meals, health services and recreation; to provide special educational services to students with limited mobility and proficiency; and to function as a focal point in the City's neighborhoods.

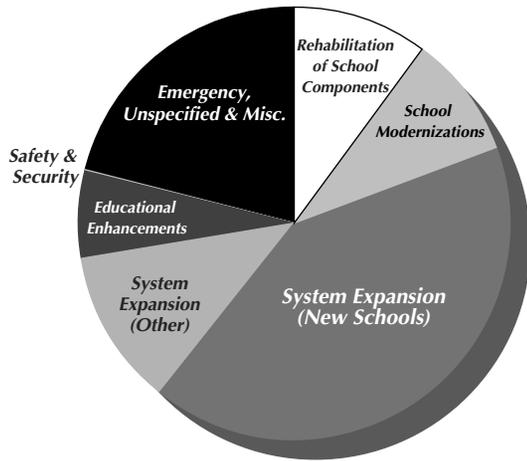
In recent years, the school system's physical plant has experienced problems associated with deferred maintenance and overcrowding in some communities. Since July 1989, the School Construction Authority (SCA) has been responsible for acquiring new school sites, and for the design and construction of capital projects. In 1997, the Department of Design and Construction (DDC) began participating in the rehabilitation of school buildings. Each year, DOE allocates funding to DDC and SCA. The legislation that established the SCA exempted the DOE and the Authority from the City's line-by-line annual Capital Budget. Instead, the City provides a five-year lump-sum allocation for education capital expenditures, and the DOE determines how the funds will actually be used, subject to scope approval by the City. The Ten-Year Capital Strategy determines the funding levels available to the Department. The first year of the Strategy (FY04) is the last year of the Department of Education's approved, current Five-Year Capital Plan.

The capital program's primary objectives are to arrest deterioration of the physical plant and provide additional capacity. Multiple solutions to overcrowding - both capital and non-capital - will be required.

Capital Program Goals

- To halt and reverse the deterioration of school buildings;
- To restore the system to a state of good repair and maintain facilities in a state of good repair via preventive maintenance and life cycle replacement;
- To produce a physically-modernized school system that meets all building and fire code requirements and brings the DOE into compliance with Federal, State, and local mandates;
- To create a physical plant that provides appropriate space for present educational programs and is flexible enough to meet the needs of new educational initiatives, changes in education-related technology, and fluctuating enrollments;
- To guarantee security within schools in order to provide a safe learning environment;
- To relieve overcrowding;
- To provide state-of-the-art technology; and
- To rejuvenate the City's sports programs through the rehabilitation of athletic fields.

Department of Education



Ten-Year Capital Strategy

The Ten-Year Capital Strategy provides the Department with a lump-sum allocation of \$9.8 billion to spend at its discretion on school-related capital projects. Funding is distributed across seven broad categories of capital work in the following manner:

	(in millions)
• Rehabilitation of School Components	\$985.0
• Major Modernization of Schools	897.2
• System Expansion (New Schools)	4,037.5
• System Expansion (Other)	1,141.0
• Educational Enhancements	633.9
• Emergency, Unspecified and Miscellaneous	2,050.2
• Safety and Security	9.8
TOTAL	\$9,754.6

Rehabilitation of School Components

The Ten-Year Capital Strategy provides \$985.0 million to rehabilitate, replace and upgrade building components. The Department will use funds to maintain roofs and parapets, resurface floors, install new windows and lighting fixtures, re-develop playgrounds, and remove asbestos and lead paint.

Major Modernizations of Schools

In order to meet high standards for entire school buildings, it is essential that existing school facilities undergo major modernizations. The Ten-Year Capital Strategy provides \$897.2 million for this purpose. Projects include major replacements of electrical, plumbing and heating systems.

Department of Education

System Expansion

To address the shortage of seating in public schools, the Ten-Year Capital Strategy provides \$4.0 billion for the construction of new schools. An additional \$1.1 billion is allocated for leases, building additions, transportables, modular classrooms, and new athletic fields and playgrounds. By 2005, the Department will open 31 new schools, additions and leased facilities providing 21,142 new seats. In addition, 7,953 new seats will be created by converting office space into classrooms.

Educational Enhancements

The Department will designate \$633.9 million to capital improvements associated with recent programmatic needs. The Department will provide desktop and laptop computers for teachers and students. Funds will also be used to purchase educational software, upgrade networks, and re-wire schools for internet access. To further its science education program, the Department will upgrade and replace science labs citywide.

Other Funding

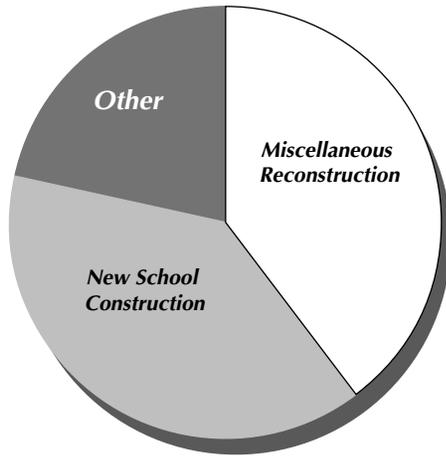
Other miscellaneous capital improvements make up the balance of funding. \$2,050.2 million covers the Mayoral/Council Program, administrative costs, emergency projects, research and development, and prior plan completion costs. Finally, \$9.8 million is for security systems, emergency lighting and code compliance.

Department of Education

Project Type: E

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Emergency, Unspecified and Miscellaneous</i> City	140,885	129,178	166,374	210,908	217,657	224,840	230,461	236,223	243,073	250,608	2,050,207
<i>Educational Enhancements</i> City	43,078	39,829	51,497	65,281	67,370	69,593	71,333	73,117	75,237	77,569	633,904
<i>Major Modernization of Schools</i> City	60,972	56,373	72,887	92,398	95,355	98,501	100,964	103,488	106,489	109,790	897,217
<i>Rehab of School Components</i> City	66,937	61,889	80,017	101,438	104,683	108,138	110,841	113,611	116,908	120,532	984,994
<i>Safety and Security</i> City	663	613	792	1,004	1,036	1,071	1,097	1,125	1,157	1,193	9,751
<i>System Expansion (New Schools)</i> City	274,374	253,680	327,994	415,791	429,096	443,256	454,338	465,696	479,201	494,056	4,037,482
<i>System Expansion (Other)</i> City	77,540	71,692	92,694	117,506	121,266	125,268	128,400	131,610	135,426	139,625	1,141,027
<i>Project Type Total by Source of Funds</i> City	664,449	613,254	792,255	1,004,326	1,036,463	1,070,667	1,097,434	1,124,870	1,157,491	1,193,373	9,754,582
<i>Project Type Total</i> All Funds	664,449	613,254	792,255	1,004,326	1,036,463	1,070,667	1,097,434	1,124,870	1,157,491	1,193,373	9,754,582

City University



New York City's intellectual resources are unmatched by those of any other city in the country. The City University of New York (CUNY), with a Fiscal Year 2003 registration of approximately 208,047 students, primarily serves City residents; however, it also attracts students from all over the world. Divided into colleges and graduate schools, CUNY facilities are distributed throughout the five boroughs and range in curricula from liberal arts to law and medicine. CUNY maintains 21 campuses in the City, including senior colleges, community colleges, and graduate and professional schools.

Changes in enrollment patterns may have a significant impact on future plant use and capital needs. From Fiscal Year 1998 to 2002, enrollment at New York City colleges and universities grew from 407,232 to 425,572. During this period, enrollment at CUNY went down from 201,185 to 197,131. Thus, while total enrollment at all New York City colleges increased by 4.5%; CUNY's total enrollment declined by 2.0%; undergraduate enrollment at CUNY decreased by 3.3% while graduate and professional degree programs enrollment increased by 6.7%.

Capital Program Goals

- To rehabilitate and upgrade existing facilities;
- To revamp campus plants to increase efficiency;
- To provide accessibility for the physically handicapped; and
- To strengthen fire protection, life safety and health facilities on the campuses.

Ten-Year Capital Strategy

The City now funds its share of the University's large construction projects through its Capital Plan. In the past the City and State funded these projects through the Dormitory Authority, therefore, any previously funded large construction projects were not reflected in this Strategy. All work associated with the senior colleges is funded by the State. The community college projects are funded jointly by the City and the State. In some cases the City also independently funds some senior and community college related work. For this Strategy, CUNY emphasizes the construction of new buildings; rehabilitation of electrical, mechanical, heating, ventilating and air-conditioning systems; interiors and exteriors of buildings, roofs and windows; security systems; and access for the disabled. Work is also required for early childhood and day care centers, athletic fields and capital equipment.

The Ten-Year Capital Strategy provides funding for:

	(in millions)
• Miscellaneous Reconstruction	\$62.2
• New School Construction	60.8
• Electrical, Mechanical and HVAC System Upgrading	14.2
• Data Processing and Other Equipment	9.8
• Security Systems	8.7
• Federal, State and Local Mandates	0.8
• Athletic Fields, Gymnasiums and Equipment	0.3
TOTAL	\$156.8

City University

Miscellaneous Reconstruction, and Electrical, Mechanical and HVAC System Upgrading

The Ten-Year Capital Strategy provides for the replacement or rehabilitation of roofs, windows, elevators, and exterior and interior renovations. Modernization projects include electrical, boiler, heating, ventilation and air conditioning upgrades.

New School Construction

The Ten-Year Capital Strategy provides for the construction of new buildings including the Academic Building I at Medgar Evers College.

Federal, State and Local Mandates

The Ten-Year Capital Strategy further provides for mandated programs. These programs include construction of facilities to comply with handicap access laws and removal of health and building safety hazards to meet the local law requirements.

Athletic Fields, Gymnasiums and Other Equipment

The Ten-Year Capital Strategy provides for the upgrading of athletic fields and gymnasiums.

Security Systems

The Ten-Year Capital Strategy provides for strengthening security systems on campuses, providing perimeter fences, lights, surveillance cameras and intrusion alarm systems.

City University

Project Type: HN											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Data Processing and Other Equipment</i>											
City	5,253	23	2,603	1,834	0	0	0	0	0	0	9,713
State	0	0	39	12	0	0	0	0	0	0	51
<i>Athletic Fields, Gymnasiums and Equipment</i>											
City	0	25	250	0	0	0	0	0	0	0	275
<i>Federal, State and Local Mandates</i>											
City	0	25	514	10	0	0	0	0	0	0	549
State	0	0	204	10	0	0	0	0	0	0	214
<i>Electrical, Mechanical and HVAC System Upgrading</i>											
City	0	3,867	1,106	571	656	431	0	1,509	0	470	8,610
State	0	900	1,106	571	656	431	0	1,509	0	470	5,643
<i>New School Construction</i>											
City	311	39,888	14,171	5,644	0	230	119	0	0	0	60,363
State	0	0	0	94	0	230	119	0	0	0	443
<i>Miscellaneous Reconstruction</i>											
City	5,024	3,637	2,563	3,614	2,898	3,320	3,699	3,226	4,049	3,719	35,749
State	0	0	2,119	3,472	2,898	3,320	3,699	3,226	4,049	3,719	26,502
<i>Security Systems</i>											
City	0	25	265	104	808	526	801	0	823	834	4,186
State	0	25	265	478	808	526	801	0	823	834	4,560
<i>Project Type Total by Source of Funds</i>											
City	10,588	47,490	21,472	11,777	4,362	4,507	4,619	4,735	4,872	5,023	119,445
State	0	925	3,733	4,637	4,362	4,507	4,619	4,735	4,872	5,023	37,413
<i>Project Type Total All Funds</i>											
All Funds	10,588	48,415	25,205	16,414	8,724	9,014	9,238	9,470	9,744	10,046	156,858

Department of Health and Mental Hygiene

The Department of Health and Mental Hygiene (DOHMH) promotes and protects the health and quality of life of New York City residents by enforcing compliance with the City Health Code and administering a broad range of public health programs and services. The Department monitors and controls tuberculosis, sexually transmitted diseases (STD), and other communicable diseases; investigates and eliminates environmental health hazards; and inspects restaurants and other facilities. The Department also works aggressively to prevent AIDS and HIV-related illnesses.

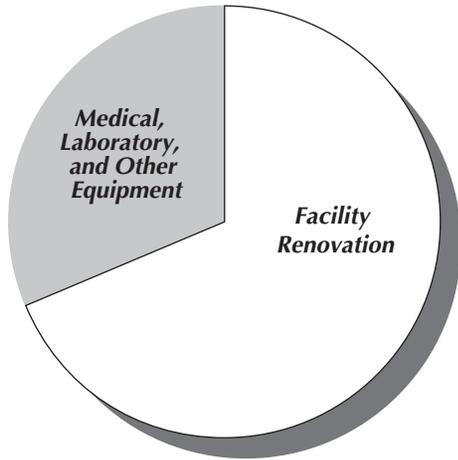
The Department operates public health clinics, laboratories, and district health centers in the five boroughs which house a variety of programs: immunization clinics, STD and tuberculosis (TB) clinics, dental clinics, maternity services, HIV counseling, testing, and referral, and gay and lesbian health programs.

The Ten-Year Capital Strategy reflects a strong commitment to these public health activities:

- The renovation and upgrade of the public health infrastructure (health centers, laboratories, and TB clinics) are top priorities for the Department. In order to protect the health of all New Yorkers, these facilities must be maintained and improved. The Department's Ten-Year Capital Strategy seeks to identify buildings for renovation and to improve entire sites.

- Other top priorities for the Department include upgrading the heating, ventilation, and air conditioning (HVAC) and fire alarm systems, electrical service, plumbing and general conditions at the Public Health Laboratory facility located at 455 First Avenue.
- The Ten-Year Capital Strategy also includes funding for the construction of two free-standing mortuary buildings at Kings County Hospital and Queens Hospital for the Office of the Chief Medical Examiner (OCME).

Department of Health and Mental Hygiene



Capital Program Goals

- To ensure that Department facilities are in compliance with applicable codes, rules, and regulations;
- To renovate those facilities requiring immediate repair and to maintain quality conditions in these facilities;
- To enhance the Department's automation systems for more efficient management of information;
- To renovate laboratories requiring immediate repairs;
- To identify new technology that can assist the Department in performing critical public health and safety functions; and
- To improve the process of inventory assessment at Department facilities and to replace all critical Department equipment on a regular basis.

Ten-Year Capital Strategy

	(in millions)
• Facility Renovation and Construction	\$62.4
• Medical, Laboratory, Furniture and Equipment	\$34.6
TOTAL	\$97.0

The Ten-Year Capital Strategy places priority on rebuilding the public health infrastructure, upgrading the Department's clinics, and reengineering/ automating the Department's internal and external functions.

Facility Renovation and Construction

Approximately \$62.4 million will be devoted to the renovation of various facilities. Highlights of projects include: renovation at the Public Health Laboratory (\$22.5 million); renovation of the Jamaica Health Center (\$3.6 million); renovation of various DOHMH clinics (\$25.4 million); and renovation of the Central Harlem STD Clinic (\$2.8 million).

Medical, Laboratory, Furniture and Equipment

A total of \$34.6 million will be spent on medical, laboratory, furniture and equipment. Highlights of the Department's proposal include OCME laboratory equipment replacement (\$20.4 million); furniture and equipment for Kingsbrook Jewish Medical Center (\$1.5million); furniture and equipment for Mount Sinai hospital (\$1.4 million); and PC Replacement (\$1.7million).

Department of Health and Mental Hygiene

Project Type: HL

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Medical, Laboratory, and Other Equipment</i> City	11,320	1,766	500	5,487	4,830	2,100	2,100	2,100	2,161	2,228	34,592
<i>Facility Renovation</i> City	11,714	12,632	16,600	1,513	2,170	4,200	3,850	3,150	3,241	3,342	62,412
<i>Project Type Total</i> <i>by Source of Funds</i> City	23,034	14,398	17,100	7,000	7,000	6,300	5,950	5,250	5,402	5,570	97,004
<i>Project Type Total</i> All Funds	23,034	14,398	17,100	7,000	7,000	6,300	5,950	5,250	5,402	5,570	97,004

Health and Hospitals Corporation

The Health and Hospitals Corporation (HHC) was established in 1969 as the successor to the former Department of Hospitals to provide greater flexibility in the operation of the municipal hospital system. It continues to be the major care provider for the City's poor and uninsured population. At the end of 2002, of the 7,411 inpatient beds that HHC operates, approximately 4,224 were acute care beds.

HHC plays a vital role in ambulatory care in medically underserved communities. Through its vast network of family health centers, child health clinics, Communicare sites, hospital-based clinics and diagnostic & treatment centers, the Corporation accommodated nearly 5 million visits in FY 2002. In FY 2002, HHC also experienced 1.072 million emergency room visits.

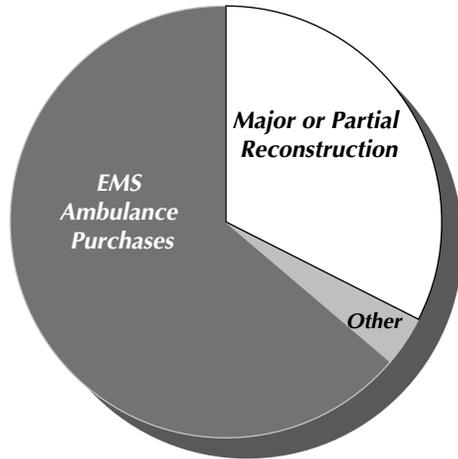
HHC operates eleven acute care general hospitals, two of which (Kings County and Bellevue) are slated for major reconstruction in the current capital plan. The Corporation also operates four chronic hospital/skilled nursing facilities with a total of 2,666 beds.

Capital Program Goals

- Replace or renovate aging facilities intended to improve market share, operational efficiencies, and patient satisfaction;
- Satisfy regulatory requirements and/or correct code deficiencies;
- Rehabilitate failing building components or systems critical to safety, comfort, plant integrity and/or effective operations;
- Upgrade aging building infrastructure, systems, or service areas to accommodate increased utilization or to achieve improved operating efficiencies;
- Purchase new and replacement medical equipment; and
- Improve facilities to help satisfy unmet needs or to protect existing market share.

As a result of the Financial Restructuring Agreement with the City granting HHC fiscal autonomy, the Corporation secured \$550 million worth of debt in 1993 to finance its own capital plan. Another \$320 million of health system bonds were issued in 1997. In July 2002, HHC issued \$293 million in new money parity debt to fund ongoing capital needs.

Health and Hospitals Corporation



Ten-Year Capital Strategy

The Ten-Year Capital Strategy for the Health and Hospitals Corporation focuses on Phase Two of the major reconstruction of the Kings County Hospital Center, as well as the modernization of Bellevue Hospital Center and the construction of a state-of-the-art DNA building on the Bellevue campus. The cost of ambulance purchases by EMS is also included.

	(in millions)
• EMS Ambulance Purchases	\$139.0
• Major Medical Equipment	0.8
• Major/Partial Hospital Reconstruction	70.7
• Routine Reconstruction	7.4
TOTAL	\$217.9

Major or Partial Hospital Reconstruction

In FY 2000, the City funded Phase Two of Kings County Hospital Center's Comprehensive Redevelopment Plan, which includes the construction of a new facility to provide modern diagnostic, emergency and treatment services on the campus. Construction of the \$145 million building began in the fall of 2001, and its projected completion date is June 2005.

The City is also funding the modernization of Bellevue Hospital Center. The \$178 million project includes the construction of a new ambulatory care building that will provide general care, mental health/substance abuse, ambulatory surgery, dental, and dialysis services. The project also includes the renovation of 3-4 in-patient floors and a critical care floor. The scheduled completion date is November 2005.

In addition, the City is funding a \$248 million project for the construction of a new DNA facility on the Bellevue Hospital campus to be operated by the Office of Chief Medical Examiner (OCME). This facility will increase the analytic capabilities of the OCME's DNA program to assist the Police Department and the courts in identifying perpetrators. Pre-construction work for this building began in fall of 2001, and its projected completion date is 2005.

Emergency Medical Services Ambulance Purchases

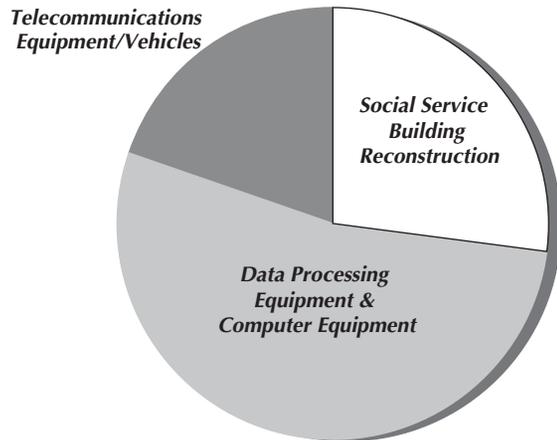
Approximately \$139 million will be provided for the purchase of EMS ambulances through FY 2013.

Health and Hospitals Corporation

Project Type: HO

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Emergency Medical Services Equipment</i> City	10,694	11,088	20,098	13,640	13,315	13,315	13,648	13,989	14,394	14,841	139,022
<i>Major Medical Equipment</i> City	805	0	0	0	0	0	0	0	0	0	805
<i>Major or Partial Hospital Reconstruction</i> City	70,112	618	0	0	0	0	0	0	0	0	70,730
<i>Routine Reconstruction</i> City	6,850	500	0	0	0	0	0	0	0	0	7,350
<i>Project Type Total</i> <i>by Source of Funds</i> City	88,461	12,206	20,098	13,640	13,315	13,315	13,648	13,989	14,394	14,841	217,907
<i>Project Type Total</i> All Funds	88,461	12,206	20,098	13,640	13,315	13,315	13,648	13,989	14,394	14,841	217,907

Human Resources Administration



The Human Resources Administration (HRA)/ the Department of Social Services (DSS) provides a range of programs and services that assist individuals and families achieve self-sufficiency. Eligible participants receive employment and support services, public assistance, Medical Assistance, and food stamps. DSS also provides shelter, housing, and support services to victims of domestic violence, people with AIDS and HIV-illness, and frail and elderly adults.

Capital Program Goals

- Maintain, repair and improve social service facilities throughout the City;
- Install wide area computer networks for connectivity between Agency and contractor locations; and
- Upgrade, maintain, and acquire telecommunication and computer technology to improve Department operations.

Ten-Year Capital Strategy

The primary focus of the Ten-Year Capital Strategy is to improve client services and worker productivity through renovations and upgrades to Job Centers and other Department sites; acquisitions and upgrade of computer technology, including Wide Area Networks; and information systems development to meet the needs of the Department's many programs and services.

(in millions)

• Building Reconstruction/Equipment	\$ 44.8
• Data Processing Equipment	88.1
• Telecommunications Equipment/Vehicles	32.6
TOTAL	\$165.5

Building Reconstruction

The Ten-Year Capital Strategy provides funding to complete the renovation and upgrade of Job Centers as well as necessary improvements to maintain the structural stability of various Department facilities. Improvements include HVAC, masonry, roofing, electrical, plumbing and office renovations.

The Ten-Year Capital Strategy also provides the completion of a new management information system facility at 9 Metro Tech South, Brooklyn. The new site will provide a state of the art data center to enhance technology infrastructure and applications supporting the current and future business requirements of DSS.

Data Processing Equipment

The agency will continue to utilize imaging technology to store documents electronically and reduce reliance on paper records. Other projects include the maintenance and upgrade of computer equipment and software for greater efficiency in caseload tracking, reporting, and intra and inter-agency communication.

Telecommunications

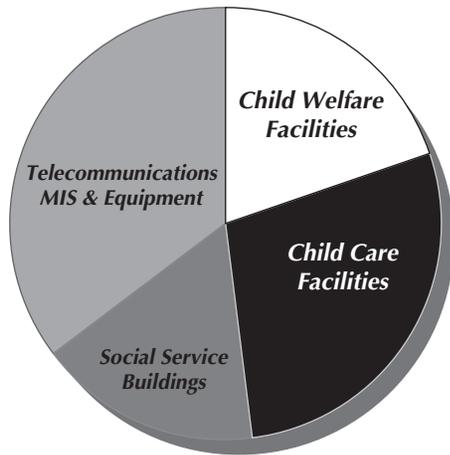
DSS has continued to allocate funds to enhance productivity and create a Wide Area Network system to provide greater connectivity among Department personnel and contract service providers.

Human Resources Administration

Project Type: HR

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Telecommunications Equipment</i>											
City	3,266	2,705	3,226	273	2,200	881	1,540	1,400	1,540	1,540	18,571
Federal	2,177	1,804	2,150	182	1,467	587	1,067	933	1,027	1,027	12,421
<i>Data Processing Equipment</i>											
City	2,297	2,629	7,949	8,432	3,896	6,671	5,450	4,936	5,832	4,718	52,810
Federal	1,531	1,753	5,299	5,622	2,598	4,448	3,633	3,291	3,888	3,146	35,209
<i>Equipment</i>											
City	837	0	1,080	0	0	0	0	0	0	0	1,917
Federal	558	0	720	0	0	0	0	0	0	0	1,278
<i>Social Services Buildings</i>											
City	9,708	3,000	3,757	0	2,023	1,500	6,745	3,634	2,892	4,329	37,588
Federal	1,661	371	2,014	0	0	0	0	0	0	0	4,046
<i>Automotive Equipment</i>											
City	48	0	66	0	99	159	162	165	165	165	1,029
Federal	0	0	44	0	66	106	108	110	110	110	654
<i>Project Type Total by Source of Funds</i>											
City	16,156	8,334	16,078	8,705	8,218	9,211	13,897	10,135	10,429	10,752	111,915
Federal	5,927	3,928	10,227	5,804	4,131	5,141	4,808	4,334	5,025	4,283	53,608
<i>Project Type Total All Funds</i>	22,083	12,262	26,305	14,509	12,349	14,352	18,705	14,469	15,454	15,035	165,523

Administration for Children's Services



The Administration for Children's Services (ACS) provides services to protect and advance the interests of New York City's children. ACS investigates allegations of abuse and neglect, provides preventive services, and when necessary, foster care and adoption services. Services also include subsidized childcare and early childhood education through Head Start.

The Agency is responsible for over 200 facilities including day care centers, a network of program field offices, congregate care homes for children in foster care, the ACS Children's Center and administrative offices.

Capital Program Goals

- To improve children's services facilities, including meeting code compliance and handicapped accessibility standards;
- To renovate and reconstruct congregate care facilities for foster children;
- To renovate and expand child care facilities; and
- To upgrade and expand telecommunication and computer technology for improved management and information systems.

Ten-Year Capital Strategy

	(in millions)
• Child Welfare Facilities	\$28.4
• Child Care Facilities	40.7
• Social Service Buildings	24.0
• Equipment, Telecommunications, and MIS	50.8
TOTAL	\$143.9

The primary focus of the Ten-Year Capital Strategy is to continue to improve delivery of services to children and families through renovation and expansion of direct care sites, as well as furthering the development of information systems to better track client activity and streamline program and financial management of the programs and services provided by ACS.

Improvements of direct care sites are scheduled for group homes in the Bronx, Queens and Manhattan. The Jefferson Group Home in the Bronx will expand through the acquisition of an adjacent lot, providing for 9 additional residents. Three existing group homes in Queens will be acquired; assuring the long term availability of directly operated congregate care capacity for "hard-to-place" teenagers.

The Ten-Year Capital Strategy provides for the expansion of day care services in the Williamsburg and Washington Heights communities. Construction of a new day care center is scheduled to begin in December 2003 in Williamsburg and in fiscal year 2006 in Washington Heights.

ACS will continue to develop and upgrade its MIS initiatives. This includes the further development of the Integrated Case Management System, the development of a central Agency paperless system, and continued expansion of the local area network.

Administration for Children's Services

Project Type: CS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Child Welfare Facilities</i>											
City	3,867	416	2,500	2,607	2,584	2,748	2,422	2,346	4,372	4,569	28,431
Federal	39	0	0	0	0	0	0	0	0	0	39
<i>Day Care Facilities</i>											
City	479	3,120	10,333	2,624	2,585	2,747	2,422	2,347	6,371	6,569	39,597
Federal	63	0	0	0	0	0	0	0	532	532	1,127
<i>Equipment</i>											
City	4,941	7,765	5,261	4,938	5,105	4,018	4,049	4,192	0	0	40,269
Federal	1,314	2,112	1,182	1,314	1,359	1,069	1,077	1,115	0	0	10,542
<i>Social Service Buildings</i>											
City	100	0	5,221	1,000	1,000	1,000	3,139	3,499	2,000	2,000	18,959
Federal	0	0	1,388	266	266	266	834	930	532	532	5,014
<i>Project Type Total by Source of Funds</i>											
City	9,387	11,301	23,315	11,169	11,274	10,513	12,032	12,384	12,743	13,138	127,256
Federal	1,416	2,112	2,570	1,580	1,625	1,335	1,911	2,045	1,064	1,064	16,722
<i>Project Type Total All Funds</i>	10,803	13,413	25,885	12,749	12,899	11,848	13,943	14,429	13,807	14,202	143,978

Department For The Aging

The Department for the Aging administers a wide range of programs that enable senior citizens to maintain their independence and improve their quality of life. Services include congregate and home delivered meals, home care, employment counseling and placement, social and legal services, transportation, and information and referral services. The Department also serves as an advocate for the City's elderly population through legislative activity and public policy initiatives.

Capital Program Goals

- Rehabilitate facilities that provide services for senior citizens;
- Develop a computerized network to assist applicants in accessing various entitlement programs; and
- Implement technology projects to enhance record keeping and service delivery.

Ten Year Capital Strategy

	(in millions)
• Building Reconstruction	\$22.9
• Data Processing	6.2
TOTAL	\$29.1

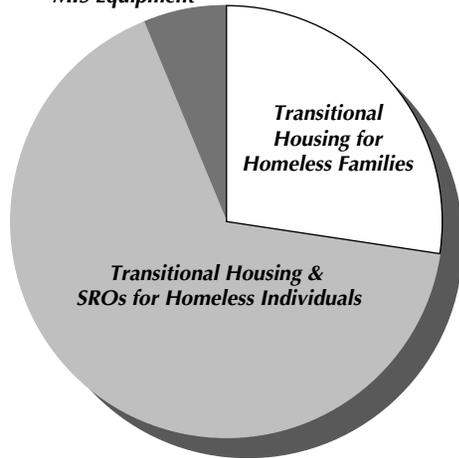
The Department's primary focus for improvements to Senior Centers include fire suppression systems, heat and hot water systems and renovations for handicapped accessibility. Technology projects include continued development of the Uniform Benefits Assessment System (Uni-form) and Provider Data System (PDS). The Uni-form system allows seniors to apply for various entitlement programs including Medicaid, food stamps, and Supplemental Security Income, by completing one application. The Department has allocated funds for the migration of PDS and Uni-form to a web based platform.

Department For The Aging

Project Type: AG											
	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Electronic Data Processing</i> City	151	977	1,565	700	700	700	700	700	0	0	6,193
<i>Department for the Aging Building</i> <i>Reconstruction</i> City	3,312	1,093	6,717	1,400	1,400	1,400	1,453	1,506	2,270	2,341	22,892
<i>Project Type Total</i> <i>by Source of Funds</i> City	3,463	2,070	8,282	2,100	2,100	2,100	2,153	2,206	2,270	2,341	29,085
<i>Project Type Total</i> All Funds	3,463	2,070	8,282	2,100	2,100	2,100	2,153	2,206	2,270	2,341	29,085

Department of Homeless Services

*Social Service Buildings,
MIS Equipment*



The Department of Homeless Services provides homeless families and individuals with temporary housing and services to facilitate their return to independent living. The Department also provides outreach services to people living in public places, rental assistance programs, and services to prevent homelessness. The Department works with the Department of Housing Preservation and Development to plan for the development of permanent and transitional housing.

The Department is currently responsible for the maintenance of 28 facilities for homeless singles, 25 facilities for homeless families and 6 Single Room Occupancy (SRO) permanent residences.

Capital Program Goals

- Ensure all facilities are in compliance with applicable health and safety standards;
- Rehabilitate and renovate transitional facilities for homeless families and singles;
- Develop new sites as necessary to meet capacity needs; and
- Upgrade and expand computer networks to effectively collect and share information.

Ten-Year Capital Strategy

	(in millions)
• Transitional Housing for Homeless Families	\$62.2
• Transitional Housing for Homeless Individuals	150.8
• Social Service Buildings, MIS & Equipment	14.2
TOTAL	\$227.2

The focus of the Department's Ten-Year Capital Strategy is the maintenance and development of transitional housing for homeless families and singles. The Ten-Year Capital Strategy allocates ninety-four percent of funding to the rehabilitation and development of these facilities. Major priorities for the agency continue to be code compliance, fire safety, and exterior building stabilization. Major family projects include building upgrades at Auburn, Briarwood, Bushwick, Jackson, Jennie Clark, Powers and Springfield. In addition, funds are allocated for upgrades to several family sites constructed by NYCHA and HPD in the early 1990s. Adult projects include exterior envelope stabilization at the Manhattan Bowery and building upgrades at Charles Gay, Harlem Men's Shelter, Webster SRO and Willow Avenue.

The Department will develop a consolidated warehouse facility which will improve inventory control and distribution. This site will also include workshop space for the Facilities Maintenance and Development division. Major MIS initiatives include continued expansion of the LAN/WAN to complete the connectivity of all shelter sites, allowing access to the new Client Tracking System being developed to enhance shelter management.

Department of Homeless Services

Project Type: HH

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Shelters for Homeless Individuals</i> City	13,343	10,650	18,149	16,000	16,000	17,000	16,243	16,798	13,075	13,512	150,770
<i>Equipment</i> City	188	750	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	8,938
<i>Shelters for Homeless Families</i> City	9,868	4,875	5,254	4,700	4,700	3,700	5,000	5,000	9,384	9,675	62,156
<i>Social Services Buildings</i> City	5,300	0	0	0	0	0	0	0	0	0	5,300
<i>Project Type Total</i> <i>by Source of Funds</i> City	28,699	16,275	24,403	21,700	21,700	21,700	22,243	22,798	23,459	24,187	227,164
<i>Project Type Total</i> All Funds	28,699	16,275	24,403	21,700	21,700	21,700	22,243	22,798	23,459	24,187	227,164

Housing Preservation & Development

The Department of Housing Preservation and Development (HPD) preserves, upgrades, and assists in the expansion of the City's affordable housing stock. Its primary goals are: to spur the preservation and development of affordable housing through direct investment, the provision of loans, and/or other financial assistance; to maximize neighborhood ownership and management of housing by generating local participation in disposition and development programs; and to enforce compliance with housing quality standards. New York City housing programs have evolved and adapted as neighborhood housing conditions have stabilized and improved throughout the City. Using City capital to encourage new investment by private residential lenders and owners, HPD has attracted residents back to the City's lower and moderate income neighborhoods.

HPD continues to expand its use of public-private partnerships throughout its Ten-Year Capital Strategy. The agency is firmly committed to completing the rehabilitation and disposition of all remaining *in rem* buildings, both occupied and vacant, before the end of the Ten-Year Capital Strategy. These privatization initiatives will foster the rehabilitation of the roughly 8,100 remaining *in rem* dwelling units that have not yet been assigned to one of HPD's disposition programs. The current inventory of City owned occupied housing is scheduled to be completely depleted by 2007 and sold by fiscal year 2011. These initiatives are under the umbrella of a comprehensive strategy known as Building Blocks, which encompasses HPD's Tenant Interim Lease (TIL), Neighborhood Entrepreneurs (NEP), Neighborhood Redevelopment (NRP), and Neighborhood Homes programs. Buildings are sold to: low-income tenant cooperatives through TIL; local, qualified for-profit property managers through NEP; and not-for-profit owners/managers through NRP and Neighborhood Homes.

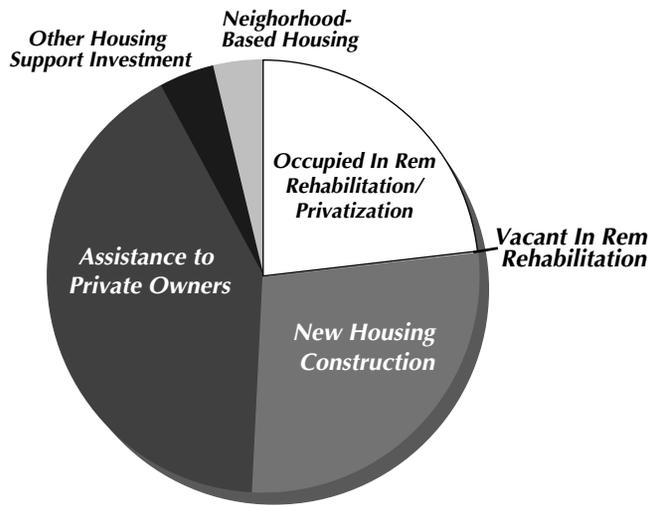
Concurrently, through its Anti-Abandonment program, the City is expanding its efforts to prevent the abandonment of privately owned buildings and forestall their entry into City ownership by providing financial and technical assistance to

private landlords. Finally, the City's capital budget maintains its commitment to provide new homeownership opportunities, particularly through its existing new construction programs. HPD will continue to build on assemblages of vacant land and urban renewal sites through the Neighborhood Initiative and Nehemiah homeownership programs. The construction activity engendered by the City's housing commitment should also provide a substantial stimulus to the New York City economy.

In HPD's Ten-Year Capital Strategy, new programs have been created and existing programs have been expanded to provide for an array of new housing options. The capital funding provided in the plan will be used in conjunction with Housing Development Corporation (HDC) funding and Federal Low Income Housing Tax Credits (LIHTC) to create new markets for affordable housing at all income levels. Specifically, \$500 million in HDC funding will be invested in New Development Initiatives, wherein low-cost loans will be provided to private developers to create 12,500 units of low and moderate-income housing from fiscal year 2004 to 2008. Over the same period, an additional \$26.7 million in LIHTC will be used for the construction and preservation of 2,670 units of affordable housing.

In fiscal year 2004 to 2009, funding will be made available for the New Venture Incentive program, which will provide low interest loans for acquisition, site development, and environmental work necessary to accelerate development for new construction. The total funding for this initiative is \$200 million and will support the development of 10,000 units of new housing. Capital funding is also provided for the recently created New Partners program, which will provide a total of \$20 million from fiscal year 2004 to 2008 to owners of small buildings to renovate and lease approximately 500 vacant apartments that have been unavailable for rent. Funding is also included for expanded and new housing initiatives for homeless, very low income, and special needs populations. These initiatives will increase the production of homeless units; create programs to target rental and homeownership units for

Housing Preservation & Development



homeless households; and provide new supportive housing programs for families and youth aging out of foster care. Over \$107 million will be invested in these initiatives to produce 2,040 units, 820 units of which will be set aside for homeless and formerly homeless households. Finally, the Ten-Year Capital Strategy includes new initiatives to increase homeownership opportunities through an employer-assisted housing program and a downpayment assistance program for first time home buyers of one to four-family homes. Over fiscal year 2004 to 2008, HPD will invest \$35 million in these programs to subsidize the purchase of 3,500 units of housing.

Capital Program Goals

- To complete the disposition of City owned occupied and vacant housing units by the end of fiscal year 2011 to tenants, community-based not-for-profit organizations, and selected private owners. For occupied buildings, disposition is done through program mechanisms including TIL, NRP, Neighborhood Homes, and NEP. City owned vacant housing units will be returned to productive use under the Storeworks program;
- To promote the preservation and improvement of the City's existing housing stock and prevent abandonment through financial assistance to private owners. The Ten-Year Capital Strategy provides funding for low-interest loans to private owners to finance the rehabilitation of low and moderate income units under the existing Third Party Transfer, Article 7A, Article 8A, Small Homes Private, and Participation Loan programs, as well as the recently created New Partners program;
- To spur the private market and create new markets for the construction of affordable housing at all income levels through New Development Initiatives, which will provide low-cost loans to private developers of affordable housing; the New Venture Incentive program, which will provide low interest loans for acquisition, site development and

environmental work necessary to accelerate future private development; and the Homeless Production program, which will utilize City capital to produce rental housing units for the homeless;

- To promote the construction of affordable owner occupied housing for moderate, low and very low income households, including the formerly homeless, through the Nehemiah, New Foundations, and the Homeless Homeownership Pilot programs; and to foster neighborhood retail and commercial development through the Alliance for Neighborhood Commerce, Homeownership and Revitalization (ANCHOR) program; and
- To produce permanent Supportive Housing for homeless and low income singles and families, through the provision of low and zero-interest loans to community-based not-for-profit organizations and private developers. These programs include homes for homeless mentally ill (New York/New York II) and the High Need program.

Ten-Year Capital Strategy

The Ten-Year Capital Strategy allocates a total of approximately \$3.7 billion for HPD to achieve the goals of the Housing Program. Of this amount, \$3.2 billion represents City funding, while approximately \$460 million will be leveraged in Federal and other contributions. Substantial private equity is also leveraged through HPD programs.

	(in millions)
• Occupied <i>In Rem</i> Rehabilitation/Privatization	\$850.1
• Vacant <i>In Rem</i> Rehabilitation	\$2.4
• New Housing Construction	1,011.2
• Assistance to Private Owners	1,516.8
• Other Housing Support Investment	151.1
• Neighborhood-Based Housing	138.4
TOTAL	\$3,670.0

Housing Preservation & Development

Occupied In Rem Rehabilitation/Privatization

Approximately \$850 million is provided to fund the rehabilitation of City owned housing units and their disposition to tenant associations, community-based not-for-profits, and for-profit housing organizations through a variety of program mechanisms, namely TIL, NRP, Neighborhood Homes, and NEP. With this Ten-Year Capital Strategy, HPD has targeted the complete disposition of all dwelling units in the City's occupied *in rem* inventory by the end of fiscal year 2011.

Vacant In Rem Rehabilitation

The Ten-Year Capital Strategy allocates \$2.4 million for the treatment of smaller vacant City owned buildings for return to the private market, primarily through the Storeworks program. As a result of the expected depletion of the vacant *in rem* stock, funding for programs in this category is scheduled to end after fiscal year 2004.

New Housing Construction

The Ten-Year Capital Strategy allocates over \$1.1 billion to foster the new construction of housing units affordable to low and moderate income homeowners and renters through existing programs such as Nehemiah, ANCHOR, and Mixed Use, and new programs such as the New Venture Incentive program, the Homeless Homeownership Pilot, and the Homeless Production program. An integral component of new construction programs are the neighborhood based housing initiatives, which are also covered under this category.

Assistance to Private Owners

Activities under the Third Party Transfer, Article 7A, Article 8A, Small Homes Private, Participation Loan, Home Improvement, and Supportive Housing Loan programs are funded at \$1.5 billion over the ten-year period for the rehabilitation and preservation of roughly 50,000 units in privately-owned multiple dwellings and one to four-unit homes. These programs, which currently provide assistance for distressed buildings, will be coordinated in the future to address in particular those properties identified through HPD's new Housing Preservation program.

Other Housing Support Investment

Funds totaling \$150 million are provided for a variety of projects supporting HPD's affordable housing initiatives, including the demolition of unsafe buildings, urban renewal costs, computer-based productivity initiatives, and other infrastructure supports.

Housing Preservation & Development

Project Type: HD

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Neighborhood-Based Housing Initiatives</i>											
City	15,329	11,173	9,702	26,881	27,855	37,635	8,440	0	0	0	137,015
Federal	0	1,400	0	0	0	0	0	0	0	0	1,400
<i>New Housing Construction</i>											
City	28,253	11,475	10,000	79,500	70,000	80,125	103,343	183,015	197,613	209,375	972,699
Federal	17,045	6,000	0	15,500	0	0	0	0	0	0	38,545
<i>Other Housing Support Investment</i>											
City	11,249	8,398	4,975	11,157	23,102	28,564	20,385	15,705	13,800	13,800	151,135
<i>Occupied In Rem Rehabilitation</i>											
City	99,969	113,919	134,729	56,578	71,000	73,500	76,000	10,000	0	0	635,695
Federal	45,877	84,779	70,418	13,346	0	0	0	0	0	0	214,420
<i>Assistance to Private Owners</i>											
City	58,572	70,403	112,677	142,770	147,784	131,129	151,560	160,000	168,000	168,000	1,310,895
Federal	41,242	41,052	29,583	44,000	0	0	0	0	0	0	155,877
Private	30,000	20,000	0	0	0	0	0	0	0	0	50,000
<i>Vacant In Rem Rehabilitation</i>											
City	2,366	0	0	0	0	0	0	0	0	0	2,366
<i>Project Type Total by Source of Funds</i>											
City	215,738	215,368	272,083	316,886	339,741	350,953	359,728	368,720	379,413	391,175	3,209,805
Federal	104,164	133,231	100,001	72,846	0	0	0	0	0	0	410,242
Private	30,000	20,000	0	0	0	0	0	0	0	0	50,000
<i>Project Type Total All Funds</i>	349,902	368,599	372,084	389,732	339,741	350,953	359,728	368,720	379,413	391,175	3,670,047

Housing Authority

The New York City Housing Authority builds, operates and maintains affordable housing for low-income New Yorkers. The mandate of the Housing Authority, created in 1934, is to provide decent, safe and affordable housing for low-income families, despite the challenges of managing an aging public housing inventory with a 99 percent rate of occupancy.

The New York City Housing Authority owns and operates the nation's largest public housing program, with 345 developments (181,000 apartments in 2,700 buildings), housing over 418,000 tenants throughout the city. The Authority also operates the Leased Housing (Section 8) Program in the private housing market, with approximately 82,000 occupied apartments. More than 26,000 landlords participate in the Section 8 program.

Managing the Housing Authority's vast physical plant and its 15,000 employees (4,000 of whom are also residents) is an increasingly complex challenge. In addition, the Authority's related programs have grown to include community centers, senior citizen facilities, day care programs, child health stations, drug elimination strategies, and security initiatives.

Capital Program Goals

- To continue to offer quality affordable housing for the City's low to moderate income population;
- To modernize existing projects and continue to construct new units in order to maintain decent, safe and sanitary housing for low to moderate-income residents; and
- To focus available resources on necessary heating and plumbing system replacements, to maintain essential services for Housing Authority residents.

Ten-Year Capital Strategy

The Housing Authority concentrates its efforts on upgrading existing low to moderate income City-aided public housing and on supplementing Federal funds for new public housing construction.

(in millions)

- Low to Moderate Income Public Housing Upgrade \$111.1

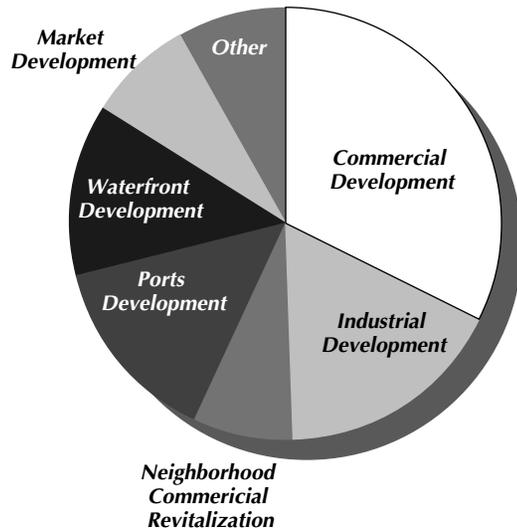
The Ten-Year Capital Strategy provides \$111.1 million for the upgrade of existing City-aided public housing units, which number 7,980, and the enhancement of security at these six developments. In addition to heating and plumbing system work, these funds cover a wide range of projects including, but not limited to, door and entrance replacements, roof and window replacements, and site related improvements such as steel bar fencing and lighting.

Housing Authority

Project Type: HA

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Low to Moderate Income Public Housing Upgrade City</i>	12,333	7,667	12,405	8,979	10,814	11,171	11,451	11,737	12,077	12,452	111,086
<i>Project Type Total by Source of Funds City</i>	12,333	7,667	12,405	8,979	10,814	11,171	11,451	11,737	12,077	12,452	111,086
<i>Project Type Total All Funds</i>	12,333	7,667	12,405	8,979	10,814	11,171	11,451	11,737	12,077	12,452	111,086

Department of Small Business Services



The Department of Small Business Services (SBS) provides technical business assistance directly to the public and administers other City economic development initiatives, including capital improvements to City-owned properties. Under contract with SBS, the Economic Development Corporation (EDC) coordinates the City's commercial, industrial, market, waterfront and intermodal transportation development projects.

Capital Program Goals

- To stimulate commercial development through the construction and rehabilitation of infrastructure and other amenities;
- To upgrade infrastructure in the City's industrial areas, including streets, sewers, and water mains;
- To assist neighborhood commercial development through physical improvement of public areas, including street and sidewalk reconstruction, new public lighting, landscaping and other public amenities;
- To enhance the City's waterfront by maintaining and rehabilitating the City's piers, as well as by creating a balanced mix of multi-use projects which include commercial, industrial, retail and recreational developments;
- To improve the intermodal transport of goods through the construction, modernization and integration of port, rail and aviation facilities; and
- To provide public market facilities.

Ten-Year Capital Strategy

	(in millions)
• Commercial Development	\$207.4
• Industrial Development	109.9
• Neighborhood Commercial Revitalization	47.9
• Port Development	90.9
• Waterfront Development	82.3
• Market Development	50.8
• Rail Development	11.0
• Miscellaneous	41.4
TOTAL	\$641.6

Department of Small Business Services

Commercial Development

EDC continues its efforts to expand and diversify the City's economy by fostering growth industries. For example, the anticipated redevelopment of New York Penn Station and the re-use of the Farley Post Office Building will improve existing infrastructure and create intermodal access among three transit systems (Long Island Railroad, New Jersey Transit and Amtrak). At the same time, the project will minimize operating and maintenance costs, generate opportunity to increase ridership, and optimize retail revenue potential. In addition, through EDC, the City will help with the construction of a post-production movie studio in Brooklyn. It is expected that the studio will provide a much needed, state-of-the-art production space, which will retain and attract new jobs related to the film industry.

Industrial Development

EDC markets City-owned real estate to industrial users and works closely with firms to find sites for their expansion and relocation. In support of these efforts, the plan includes health and safety related infrastructure improvements at the Brooklyn Navy Yard, which houses over 200 small businesses and 3,000 jobs. Other projects include upgrades to the physical plants of the City's industrial parks and investments in roads and property in the Staten Island Corporate Park.

Neighborhood Commercial Revitalization

EDC, along with SBS, will continue efforts to assist neighborhood businesses and community groups with revitalization projects. These projects include physical improvements to public areas, including street and sidewalk reconstruction, and new public lighting and landscaping. The City has contributed funds to develop the BAM Cultural District in Fort Greene, Brooklyn. Resources have also been allocated for streetscape improvements to retail strip areas throughout the City. A prime example of comprehensive neighborhood revitalization is the Downtown Flushing Pedestrian project, which will visibly link the developing waterfront, retail core, transportation hub, historic sites precinct and the mixed-use district.

Port and Waterfront Development

EDC's Ten-Year Capital Strategy recognizes the importance of providing public and commercial transportation while preserving recreational spaces for the public along the City's waterfront. Many of the City's piers are severely deteriorated and under-utilized due to years of deferred maintenance and the recent return of marine borers. Therefore, EDC's plan includes stabilization and reconstruction of the City's piers. Major piers and bulkheads to be stabilized include those at the Passenger Ship Terminal (PST) in Manhattan, Piers 1-5 along the Brooklyn Waterfront, and the South Brooklyn Marine Terminal, which supports maritime-based businesses (i.e., cocoa and coffee imports, storage operations).

EDC is also committed to enhancing public use of transportation and public access to recreation along the City's waterfront. Funds are dedicated to a variety of multi-use projects including: the Whitehall and St. George Ferry Terminals, both of which will expand intermodal transport and accommodate civic activities; Pier 11 and Pier 79, the latest expansion of East and West side ferry services resulting from increased ferry ridership; Sunset Park along Bush Terminal Piers 1-4, site of an active community recreational facility; and the East River Bikeway and Esplanade, which will enable continuous public access along Manhattan's shoreline.

Market Development

The City's ongoing commitment to preserve its markets through various infrastructure improvements is also reflected in the Ten-Year Capital Strategy. It provides funding to relocate the Fulton Fish Market to Hunts Point, thereby consolidating the City's wholesale food industry in the Bronx. Relocating to a new, fully enclosed, refrigerated facility will double market space for the vendors, improve health and safety conditions, and enhance security.

Department of Small Business Services - Economic Development

Project Type: ED	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Commercial Development</i> City	78,470	35,348	42,183	10,298	6,261	6,368	4,316	9,200	7,395	7,626	207,465
<i>Industrial Development</i> City	24,522	7,901	37,305	8,174	6,261	6,367	4,316	0	7,395	7,626	109,867
<i>Market Development</i> City	5,097	1,418	8,566	3,797	6,261	6,368	4,316	0	7,395	7,626	50,844
<i>Miscellaneous</i> City	2,350	4,000	28,000	7,000	0	0	0	0	0	0	41,350
<i>Neighborhood Revitalization</i> City	2,093	0	10,024	3,799	6,262	6,368	4,317	0	7,395	7,626	47,884
<i>Port Development</i> City	31,774	3,019	9,166	6,768	6,262	6,368	4,316	8,222	7,395	7,626	90,916
<i>Rail Development</i> City	5,000	0	6,000	0	0	0	0	0	0	0	11,000
<i>Waterfront Development</i> City	21,410	6,275	6,762	6,169	6,262	6,368	4,317	9,700	7,406	7,626	82,295
<i>Project Type Total by Source of Funds</i> City	170,716	57,961	148,006	46,005	37,569	38,207	25,898	27,122	44,381	45,756	641,621
<i>Project Type Total</i> All Funds	170,716	57,961	148,006	46,005	37,569	38,207	25,898	27,122	44,381	45,756	641,621

Department of Citywide Administrative Services

The Department of Citywide Administrative Services (DCAS) is the principal support agency for the City of New York. The operating divisions of DCAS are responsible for the maintenance of public buildings; the maintenance and reconstruction of piers and bulkheads; and the procurement of goods and services for City agencies.

DCAS operates, maintains, and reconstructs the 53 public buildings in its real estate portfolio, including court facilities, totaling more than 11.0 million square feet of space. The Department acquires, manages, and leases non-residential real properties. DCAS also provides municipal supply services to agencies. The services include the acquisition, testing, and distribution of supplies and equipment as well as the administration of the citywide vehicle fleet.

Capital Program Goals

- To rehabilitate and maintain public structures, including piers and bulkheads;
- To reconstruct public buildings;
- To coordinate and enhance citywide space planning;
- To improve the procurement, warehousing, and distribution of goods; and
- To increase productivity through advanced technology/information systems.

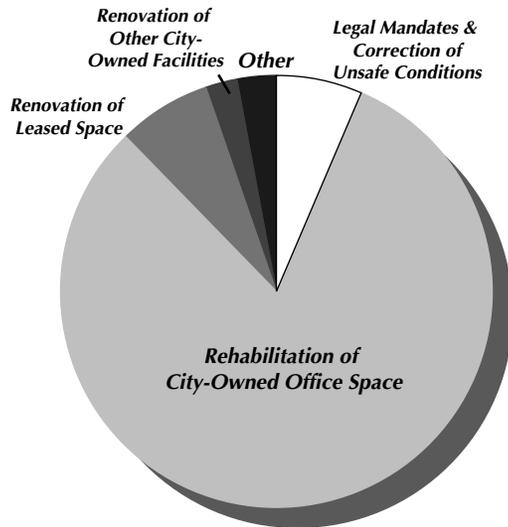
Ten-Year Capital Strategy

The Ten-Year Capital Strategy includes planned capital improvements and renovations to public buildings. This will help reduce ongoing maintenance costs as well as the City's reliance on leased space.

In addition, the Ten-Year Capital Strategy seeks to correct existing or potential safety hazards and to provide better access for people with disabilities. In order to comply with various State and Federal environmental laws, the City is continuing the reconstruction and remediation of underground petroleum storage tanks and the abatement of asbestos and lead paint in buildings owned or leased by the City.

The Department's Ten-Year Capital Strategy totals \$1,012.8 million and is allocated between Public Works and Real Property as follows:

Department of Citywide Administrative Services - Public Buildings



Public Works

(in millions)

• Rehabilitation of City-Owned Office Space	\$784.8
• Renovation of Leased Space	67.5
• Legal Mandates and Correction of Unsafe Conditions	62.1
• Renovation of Other City-Owned Facilities	22.9
• Equipment and Interagency Services	12.9
• Board of Elections Modernization	9.4
• Miscellaneous Property Improvements	3.3
• Communications Equipment	2.4
• Rehabilitation of Court Facilities	0.3
TOTAL*	\$965.5

* Subject to rounding.

Rehabilitation of City-Owned Office Space

DCAS is allocated \$784.8 million over the ten-year period for the management of non-court public buildings. Included are major rehabilitation projects for exterior stabilization; mechanical, plumbing, and electrical systems; heating, ventilation, and air conditioning (HVAC) systems; and boiler plant replacements at selected non-court buildings, citywide. The Ten-Year Capital Strategy includes interior and exterior renovations of the Brooklyn Municipal Building (\$21.6 million), interior and exterior renovations of the Manhattan Municipal Building (\$20.3 million), and exterior renovation of 346 Broadway (\$9.5 million).

Renovation of Leased Space

The Department has scheduled \$67.5 million for leased space renovations over the ten-year period. Funding is primarily for agency office consolidations and office space needs when City-owned facilities are not available. The Ten-Year Capital Strategy provides for the relocation of Department of Finance offices to 59 Maiden Lane, Manhattan (\$10.2 million) and the construction of the Department of Finance Bronx Business Center (\$7.0 million).

Legal Mandates and Correction of Unsafe Conditions

The correction of code violations and the compliance with legal mandates is a capital focus of the Department, representing 6.4 percent (\$62.1 million) of the funding available for the Department's Ten-Year Capital Strategy. Funding of \$22.6 million, or 36.4 percent of this category, is provided for various environmental services contracts, land surveys, subsurface site engineering, geotechnical investigations, and topography contracts. Other legally mandated work will include asbestos and lead abatement (\$22.2 million, or 35.8 percent) in DCAS managed buildings and other City-owned facilities, and repair and replacement of petroleum underground storage tanks (\$9.8 million, or 15.8 percent). Projects to comply with the Americans with Disabilities Act (ADA) and other physical accessibility improvement projects comprise 6.0 percent, or \$3.7 million.

Renovation of Other City-Owned Facilities

The Ten-Year Capital Strategy provides \$22.9 million for the renovation of other facilities, excluding the 53 public buildings in the DCAS portfolio. Funding is provided for the upgrade of building systems and exterior improvements at various facilities, including the reconstruction of the Department of Emergency Management Command Center (\$6.5 million), rehabilitation of the Mount Hope Youth Center (\$2.9 million), and renovation of the Jackie Robinson Youth Opportunity Center (\$1.4 million).

Department of Citywide Administrative Services - Public Buildings

Board of Elections Modernization

The Ten-Year Capital Strategy provides \$9.4 million over the ten-year period. Funding is provided for the consolidation or renovation of warehouse and office facilities in Manhattan (\$6.5 million), Brooklyn (\$2.4 million), and Queens (\$0.5 million).

Equipment and Interagency Services

The Ten-Year Capital Strategy provides \$12.9 million over the ten-year period for this category to fund equipment purchases, including management information systems equipment, citywide.

Miscellaneous Property Improvements

The Ten-Year Capital Strategy provides \$3.3 million, virtually all of which is for the Fordham University Parking project (\$3.3 million).

Communications Equipment

The Ten-Year Capital Strategy provides \$2.4 million, the majority of which is for the DoITT Communications Quality Assurance Program (\$2.1 million).

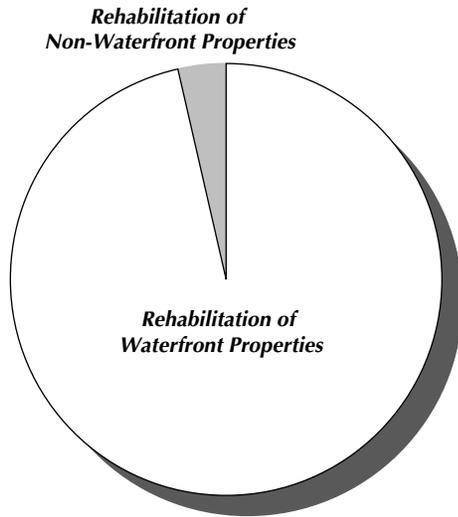
Rehabilitation of Court Facilities

The Ten-Year Capital Strategy provides \$0.3 million for minor renovations in various court facilities.

Department of Citywide Administrative Services - Public Buildings

Project Type: PW											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Communications Equipment</i> City	1,650	700	0	0	0	0	0	0	0	0	2,350
<i>Rehabilitation of Court Buildings</i> City	0	286	0	0	0	0	0	0	0	0	286
<i>Board of Elections Modernization</i> City	8,896	480	0	0	0	0	0	0	0	0	9,376
<i>Equipment and Interagency Services</i> City	2,573	350	2,890	1,800	750	1,500	750	1,500	750	0	12,863
<i>Legal Mandates and Correction of Unsafe Conditions</i> City	9,977	16,826	12,072	575	5,600	6,850	1,250	8,100	850	0	62,100
<i>Miscellaneous Construction</i> City	3,321	0	0	0	0	0	0	0	0	0	3,321
<i>Rehabilitation of City-Owned Office Space</i> City	36,427	31,893	57,696	64,597	75,868	98,665	94,265	100,360	110,002	114,959	784,732
Private	100	0	0	0	0	0	0	0	0	0	100
<i>Renovation of Leased Space</i> City	15,529	2,915	29,025	20,000	0	0	0	0	0	0	67,469
<i>Renovation of Other City-Owned Facilities</i> City	22,128	279	500	0	0	0	0	0	0	0	22,907
<i>Project Type Total by Source of Funds</i> City	100,501	53,729	102,183	86,972	82,218	107,015	96,265	109,960	111,602	114,959	965,404
Private	100	0	0	0	0	0	0	0	0	0	100
<i>Project Type Total</i> All Funds	100,601	53,729	102,183	86,972	82,218	107,015	96,265	109,960	111,602	114,959	965,504

Department of Citywide Administrative Services - Real Estate



Real Estate

(in millions)

- Rehabilitation of Waterfront Properties \$45.6
 - Rehabilitation of Non-Waterfront Properties 1.7
- TOTAL \$47.3**

Rehabilitation of Waterfront Properties

The Ten-Year Capital Strategy includes the reconstruction of DCAS managed waterfront properties. DCAS has \$45.6 million allocated for pier and bulkhead reconstruction over the ten-year period.

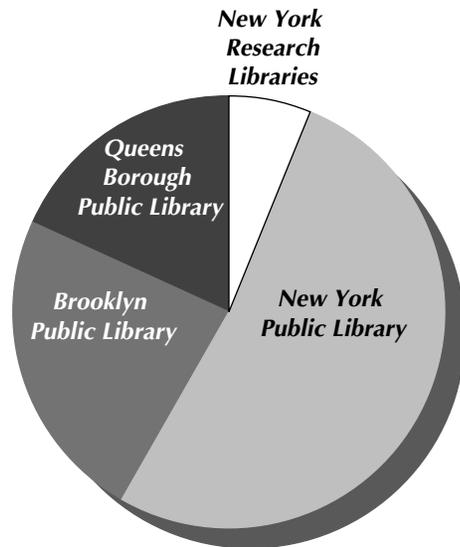
Rehabilitation of Non-Waterfront Properties

The Ten-Year Capital Strategy includes \$1.7 million for the rehabilitation of miscellaneous properties managed by the Department. Included in this program is the construction of vacant lot fencing (\$0.9 million).

Department of Citywide Administrative Services - Real Estate

Project Type: RE	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Rehabilitation of Non-Waterfront Properties</i> City	200	690	255	150	150	150	150	0	0	0	1,745
<i>Rehabilitation of Waterfront Properties</i> City	1,857	1,643	4,551	5,562	4,877	5,043	5,173	5,457	5,615	5,789	45,567
<i>Project Type Total</i> <i>by Source of Funds</i> City	2,057	2,333	4,806	5,712	5,027	5,193	5,323	5,457	5,615	5,789	47,312
<i>Project Type Total</i> All Funds	2,057	2,333	4,806	5,712	5,027	5,193	5,323	5,457	5,615	5,789	47,312

Public Libraries



New York City's public library services are provided by three individually operated branch systems - The New York Public Library, the Brooklyn Public Library, and the Queens Borough Public Library. Each of these entities receives funds from the City as well as State, Federal, and private contributions. The branch libraries provide circulating collections, reference books, computers and access to the internet, literacy programs, English-as-a-Second-Language programs, and children's reading programs. The City's three library systems are among the country's largest and busiest.

The New York Public Library (NYPL) manages the libraries in three boroughs: the Bronx, with 34 branches; Manhattan, with 39 branches; and Staten Island, with 12 branches. In addition, the New York Public Library oversees four Research Libraries, including the Humanities and Social Sciences Library, the Library for the Performing Arts, the Schomburg Center for Research in Black Culture, and the Science, Industry, and Business Library (SIBL).

The Brooklyn Public Library (BPL) oversees a Central Library, Business Library and 58 branches which include a Caribbean Cultural Center at the Flatbush Branch Library and 4 Learning Centers. Eighteen of the 58 branches are historic Carnegie branches. The Queens Borough Public Library (QBPL) has a Central Library and 62 branches, which include six Adult Learning Centers, the International Resource Center at the Flushing Library and the Langston Hughes Community Library and Cultural Center.

Capital Program Goals

- To support service levels by maintaining, improving, and optimizing the operation of library facilities;
- To phase infrastructure improvements for full ADA compliant access at all sites;
- To preserve unique and irreplaceable collections through improved environmental systems, security and fire protection, and increased storage capacity; and
- To improve the management of data through enhancement of computerized records management systems.

Ten-Year Capital Strategy

Steadily increasing circulation, development of community-oriented outreach programs, and rising attendance at cultural/informational programs are favorable developments. The three library systems will focus on the protection of the growing collection of library materials, selective reconstruction of branch libraries, elimination of hazards to staff and the public, and increasing accessibility for persons with disabilities. The Ten-Year Capital Strategy provides a total of \$151.2 million, with an additional \$90.6 million in FY 2003, allocated as follows:

New York Research Libraries

	(in millions)
• Essential Reconstruction of Facilities	\$8.6
• Improvements to Existing Facilities	0.7
Subtotal	\$9.3

New York Public Library

• Expansion and Construction of Facilities	\$43.4
• Access for the Handicapped	0.1
• Improvements to Existing Facilities	16.5
• Support Services Improvements	0.3
• Essential Reconstruction of Facilities	12.9
• Reconstruction to Maintain Facilities	5.6
Subtotal	\$78.8

Brooklyn Public Library

• Essential Reconstruction of Facilities	\$ 20.2
• Reconstruction Necessary to Maintain Facilities	13.8
• Support Services Improvements	1.6
Subtotal	\$35.6

Public Libraries

Queens Borough Public Library

- Replacement Branches \$15.2
- Reconstruction necessary to maintain facilities 8.0
- Essential Reconstruction of Facilities 4.3

Subtotal \$27.5

TOTAL \$ 151.2

New York Research Libraries
 The Ten-Year Capital Strategy for New York Research Libraries includes \$6.7 million for the Schomburg Center for Research in Black Culture to fund renovations to the General Research Division and the Scholar's Center.

New York Public Library
 The New York Public Library's 85 branches exhibit a wide variety of conditions. They range in size from less than 300 square feet to more than half a million square feet, and in age from brand new to over one hundred years. Highlights of the Strategy include \$35.9 million for the construction of the Bronx Borough Center; and \$4.5 million for replacement of the Kingsbridge branch. The Strategy also includes full renovation for selected branches including Harlem, Jefferson Market, St. Agnes, Washington Heights, Tremont and Great Kills. Additional funding for the branch libraries focuses on maintaining and upgrading facilities; roof, window and door replacement; systems work and compliance with the Americans with Disabilities Act (ADA).

Public Libraries

Brooklyn Public Library

The Ten-Year Capital Strategy for the Brooklyn Public Library emphasizes the essential reconstruction of facilities and systemwide infrastructure improvements. Highlights of the Strategy include \$19.5 million for plaza reconstruction, a new auditorium, systems upgrade, expansion and ADA compliance at the Central Library; and \$2.9 million for rehabilitation of the Kings Highway branch. Additional funding for the branch libraries concentrates on maintaining and upgrading existing facilities; roof replacement; and compliance with the Americans with Disabilities Act (ADA).

Queens Borough Public Library

The Queens Borough Public Library's Ten-Year Capital Strategy reflects a continued commitment to maintain and upgrade existing facilities, support systemwide infrastructure, and initiate construction of replacement facilities as needed. Highlights of the Strategy include \$5.2 million for a new Long Island City branch; \$3.6 million for replacement of the Glen Oaks branch; \$1.7 million for systemwide air conditioning replacement, \$2.1 million for systemwide heating systems replacement; and \$2.4 million for multi-branch ADA compliance. Additional funding for the branch libraries focuses on replacing and enhancing computer infrastructure; and window and door replacement.

New York Research Libraries

Project Type: L

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Improvements to Existing Facilities</i>											
City	625	0	76	0	0	0	0	0	0	0	701
<i>Essential Reconstruction of Facilities</i>											
City	4,677	875	1,607	1,262	0	0	0	0	0	0	8,421
Private	175	0	0	0	0	0	0	0	0	0	175
<i>Project Type Total by Source of Funds</i>											
City	5,302	875	1,683	1,262	0	0	0	0	0	0	9,122
Private	175	0	0	0	0	0	0	0	0	0	175
<i>Project Type Total All Funds</i>	5,477	875	1,683	1,262	0	0	0	0	0	0	9,297

New York Public Library

Project Type: LN

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Access for the Handicapped</i> City	100	0	0	0	0	0	0	0	0	0	100
<i>Expansion and Construction of Facilities</i> City	27,286	2,404	4,899	1,160	1,197	1,236	1,267	1,299	1,336	1,378	43,462
<i>Improvements to Existing Facilities</i> City	9,933	0	6,544	0	0	0	0	0	0	0	16,477
<i>Essential Reconstruction of Facilities</i> City	7,918	0	5,006	0	0	0	0	0	0	0	12,924
<i>Reconstruction Necessary to Maintain Facilities</i> City	2,539	0	3,051	0	0	0	0	0	0	0	5,590
<i>Support Services Improvements</i> City	133	150	0	0	0	0	0	0	0	0	283
<i>Project Type Total by Source of Funds</i> City	47,909	2,554	19,500	1,160	1,197	1,236	1,267	1,299	1,336	1,378	78,836
<i>Project Type Total</i> All Funds	47,909	2,554	19,500	1,160	1,197	1,236	1,267	1,299	1,336	1,378	78,836

Brooklyn Public Library

Project Type: LB

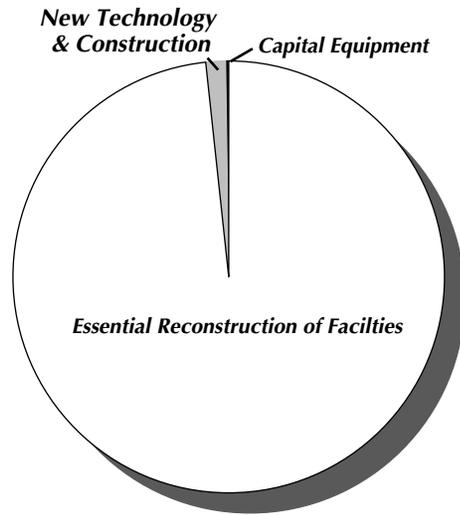
	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
<i>Essential Reconstruction of Facilities</i> City	1,850	760	10,950	800	914	944	942	959	1,021	1,052	20,192
<i>Reconstruction Necessary to Maintain Facilities</i> City	9,516	1,946	2,212	86	0	0	26	33	0	0	13,819
<i>Support Services Improvements</i> City	0	0	1,598	0	0	0	0	0	0	0	1,598
<i>Project Type Total by Source of Funds</i> City	11,366	2,706	14,760	886	914	944	968	992	1,021	1,052	35,609
<i>Project Type Total</i> All Funds	11,366	2,706	14,760	886	914	944	968	992	1,021	1,052	35,609

Queens Public Library

Project Type: LQ

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Replacement Branches</i> City	11,057	1,450	1,365	1,300	0	0	0	0	0	0	15,172
<i>Essential Reconstruction of Facilities</i> City	300	49	669	152	0	991	0	1,041	1,071	0	4,273
<i>Reconstruction Necessary to Maintain Facilities</i> City	1,571	0	2,626	752	958	0	1,015	0	0	1,104	8,026
<i>Project Type Total by Source of Funds</i> City	12,928	1,499	4,660	2,204	958	991	1,015	1,041	1,071	1,104	27,471
<i>Project Type Total</i> All Funds	12,928	1,499	4,660	2,204	958	991	1,015	1,041	1,071	1,104	27,471

Department of Cultural Affairs



The Department of Cultural Affairs (DCA) is the primary City agency responsible for promoting New York City's cultural life and artistic preeminence. DCA supports the diverse cultural activities in New York City and provides services to nearly 1,400 arts and cultural organizations. DCA provides funding and support services for visual, literary, and performing arts disciplines, as well as zoos, botanical gardens, and historical and preservation societies. In 2001, approximately 18.8 million people visited the City's cultural institutions, including 1.6 million school children.

DCA is responsible for monitoring and maintaining more than 34 cultural institutions housed primarily in City-owned buildings. The 273 buildings under DCA's jurisdiction, many of which are landmarks, comprise over 9.8 million gross square feet. The institutions receiving capital support in the Ten-Year Capital Strategy include large comprehensive institutions, such as the Metropolitan Museum of Art, the Wildlife Conservation Society, the Brooklyn Museum of Art, and the American Museum of Natural History. The Ten-Year Capital Strategy also includes specialized institutions and other distinguished cultural organizations, such as the Museum of Jewish Heritage, the Staten Island Zoo, the Museum of the City of New York, Jazz at Lincoln Center, the New York Hall of Science, and the Society for Weeksville and Bedford-Stuyvesant.

Capital Program Goals

- To meet essential needs on existing projects in progress;
- To reconstruct and maintain existing facilities to protect the City's assets, the public and staff, and the collections;
- To comply with legal mandates and address code compliance and emergencies;
- To provide technical assistance and facility improvements for emerging cultural facilities;
- To provide for programmatic improvements for cultural facilities; and
- To provide for capital equipment needs of the cultural institutions including vehicles, grounds keeping, theatrical equipment, security, and communications systems.

Ten-Year Capital Strategy

The Ten-Year Capital Strategy for cultural institutions and organizations, which reflects DCA's focus on facility reconstruction and programmatic enhancement, is as follows:

	(in millions)
• Essential Reconstruction of Facilities	\$415.3
• New Technology and Construction	6.2
• Capital Equipment	1.0
TOTAL	\$422.5

The City's cultural institutions have significantly benefited from high levels of City capital investment. Approximately \$959 million of City funds were committed from 1990 through 2002 for the reconstruction, modernization, and expansion of these facilities. This Plan reflects the City's commitment toward maintaining the infrastructure of the facilities, thus allowing the institutions to concentrate more on operational and programmatic areas.

Department of Cultural Affairs

Highlights of the program include:

- Aaron Davis Hall, new facility: \$3.3 million, with an additional \$5.8 million in FY 2003.
- Alvin Ailey Dance Foundation, new building: \$5.2 million.
- American Museum of Natural History, modernization and renovation of Hall of Ocean Life and IMAX Theater: \$40.1 million, with an additional \$17.3 million in FY 2003.
- Bronx Museum of the Arts, expansion: \$5.3 million, plus an additional \$5.3 million in FY 2003.
- Brooklyn Botanic Garden, Visitor Center, Science and Learning Center, and entrance paving: \$16.1 million, for a total City commitment of \$18.6 million.
- Brooklyn Children's Museum, Centennial Expansion: \$1.8 million, with an additional \$19.6 million in FY 2003.
- Lincoln Center for the Performing Arts, Master Plan redevelopment: \$141.5 million, for a total City commitment of \$240 million.
- El Museo del Barrio, courtyard and building renovation: \$2.1 million, in addition to \$4.1 million in FY 2003.
- Metropolitan Museum of Art, reconstruction and improvements: \$13.9 million, with an additional \$21.8 million in FY 2003.
- Museum of Arts and Design, new facility: \$1.7 million.
- Museum of Jewish Heritage, new wing: \$2.5 million, with an additional \$2.0 million in FY 2003.
- New York Botanical Garden, infrastructure and other improvements: \$9.1 million, with an additional \$20.6 million in FY 2003.
- New York Shakespeare Festival, building improvements at the Public Theater: \$7.8 million.
- New York Aquarium, major renovation project: \$20.1 million, with an additional \$15 million in FY 2003.
- Bronx Zoo, Lion House reconstruction: \$22.8 million, plus an additional \$1.9 million in FY 2003.
- P.S. 1 Contemporary Art Center, building Improvements, including exterior emergency reconstruction: \$4.3 million, with an additional \$2.3 million in FY 2003.
- Queens Botanical Garden, new administration building and maintenance complex: \$11.4 million.
- Queens Museum of Art, expansion: \$17.4 million, for a total City contribution of \$22.5 million.
- Queens Theater in the Park, addition: \$7.4 million.
- Snug Harbor Cultural Center, renovation of Music Hall and HVAC work: \$1.5 million, with an additional \$1.8 million in FY 2003.
- Society for Weeksville and Bedford Stuyvesant, historic house renovation and new education building: \$5.4 million, with an additional \$3.1 million in FY 2003.
- Staten Island Zoo, renovation of Reptile Wing and other exhibits: \$8.7 million.
- Women's Project Productions, theater renovation: \$2.2 million.

Department of Cultural Affairs

Project Type: PV											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Capital Equipment</i>											
City	381	23	632	0	0	0	0	0	0	0	1,036
<i>Essential Reconstruction of Facilities</i>											
City	85,419	37,993	111,421	26,005	23,435	24,449	25,060	25,339	25,788	27,251	412,160
State	150	0	1,300	0	0	0	0	0	0	0	1,450
Private	1,150	0	565	0	0	0	0	0	0	0	1,715
<i>New Technology and Construction</i>											
City	1,450	3,450	1,250	0	0	0	0	0	0	0	6,150
<i>Project Type Total by Source of Funds</i>											
City	87,250	41,466	113,303	26,005	23,435	24,449	25,060	25,339	25,788	27,251	419,346
State	150	0	1,300	0	0	0	0	0	0	0	1,450
Private	1,150	0	565	0	0	0	0	0	0	0	1,715
<i>Project Type Total All Funds</i>	88,550	41,466	115,168	26,005	23,435	24,449	25,060	25,339	25,788	27,251	422,511

Department of Parks & Recreation

The primary responsibilities of the Department of Parks and Recreation (DPR) are to maintain 28,633 acres of developed, natural and undeveloped parkland and to operate its parks, playgrounds, playing fields, tennis courts, swimming pools, golf courses, recreation centers, beaches, skating rinks, stadia and zoos. The Department is also responsible for the care and cultivation of approximately 2.5 million park and street trees.

The Department of Parks and Recreation provides recreational programs for all age groups at parks, playgrounds, and recreation centers throughout the City. Structured programs include organized basketball, track and field events, softball, boxing, and swimming instruction. Non-structured recreational activities, such as track and swimming, are available at the Department's recreation centers.

The City's park system includes 614 turf ball fields, 550 tennis courts, 33 outdoor swimming pools, 10 indoor swimming pools, 38 recreation centers, 14 miles of beaches, 7.5 miles of boardwalks, 13 golf courses, 6 ice skating rinks, 4 major stadia and 3 zoos.

The Department's Ten-Year Capital Strategy provides \$623.3 million for capital construction and reconstruction projects. In 2004, the Department has committed to spending \$154.3 million on capital projects.

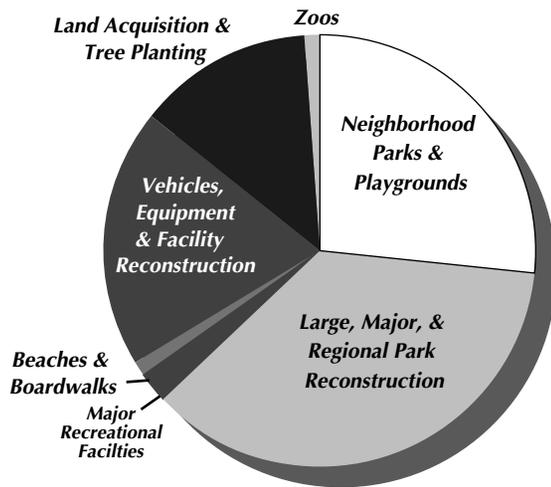
Capital Program Goals

- To provide an adequate amount and equitable distribution of open space and recreational facilities in the City;
- To maintain these facilities in a clean, attractive, and usable condition;
- To ensure public safety in parks;
- To protect natural landscapes, unique environmental features, and wildlife;
- To conserve historic structures and statues;
- To provide and coordinate public recreational programs; and
- To plant and care for street trees.

Department of Parks & Recreation

Ten-Year Capital Strategy

The Ten-Year Capital Strategy supports the Department of Parks and Recreation's continuing commitment to provide quality open space.



	(in millions)
• Neighborhood Parks and Playgrounds	\$166.1
• Large, Major, and Regional Park Reconstruction	226.1
• Major Recreational Facilities	14.4
• Beaches and Boardwalks	6.8
• Vehicles, Equipment, and Facility Reconstruction	120.8
• Land Acquisition and Tree Planting	81.8
• Zoos	7.2
TOTAL	\$623.3

Neighborhood Parks and Playgrounds

The Ten-Year Capital Strategy provides funding of \$166.1 million for the reconstruction of neighborhood parks and playgrounds. Within this allocation, \$133.7 million is directed toward requirements contracts for the reconstruction and replacement of safety surfaces, play equipment and paths. This is part of the Department's plan to focus on only those specific elements for rehabilitation within a park or playground that would actually improve the overall condition of the site.

Large, Major, and Regional Park Reconstruction

The Ten-Year Capital Strategy provides for the continuation of natural landscape restorations and other improvements in the larger parks, which for many of them are the first large-scale reconstruction since their original development over 100 years ago. Over the next ten years, the Capital Strategy allocates \$226.1 million for reconstruction to be implemented at numerous sites, citywide.

The Ten-Year Capital Strategy also includes \$33.8 million for the construction of Brooklyn Bridge Park, \$45.9 million for the reconstruction of East River Park, \$37.5 million for the construction of Henry Hudson Park and the replacement of the park's seawall bulkheads, and \$6.3 million for the construction of Charleston Park.

Department of Parks & Recreation

Major Recreational Facilities

The Ten-Year Capital Strategy provides \$14.4 million for the rehabilitation of specialized and youth-oriented major recreational facilities, such as indoor recreation centers, tennis courts, and playing fields.

Beaches and Boardwalks

The allocation of \$6.8 million will provide for continued reconstruction of boardwalks and seawalls, as needed, at such locations as Coney Island and Rockaway Beach.

Vehicles, Equipment, and Facility Reconstruction

A Ten-Year allocation of \$120.8 million will support infrastructure improvements and equipment purchases. The Final Ten-Year Capital Strategy includes funding for improvements to communication systems, replacement of computer equipment and vehicles, and the reconstruction of roofs on comfort stations and recreation centers. In addition, the Department has been provided with \$10.7 million to replace boilers citywide.

Land Acquisition and Tree Planting

The Ten-Year Capital Strategy provides \$81.8 million for the acquisition of new parkland and tree planting. With \$63.5 million of this allocation directed toward tree planting and the Greenstreets program, the Parks Department will plant, on average, 11,000 trees per year and continue to transform concrete traffic triangles and malls into green spaces. Tree planting and the Greenstreets program contribute visibly to an improved quality of life, helping to stabilize neighborhoods at a relatively low cost.

Department of Parks & Recreation

Project Type: P

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Beaches and Boardwalks</i>											
City	427	500	1,000	700	1,700	500	500	500	500	500	6,827
<i>Land Acquisition and Tree Planting</i>											
City	3,875	5,237	14,454	15,569	7,000	4,900	6,900	8,000	7,600	8,260	81,795
<i>Major Recreational Facilities</i>											
City	8,619	107	1,414	1,441	0	0	0	0	0	0	11,581
State	199	0	0	0	0	0	0	0	0	0	199
Private	0	0	2,658	0	0	0	0	0	0	0	2,658
<i>Neighborhood Parks and Playgrounds</i>											
City	18,289	11,228	28,048	16,834	14,180	14,000	14,000	15,000	16,000	16,000	163,579
State	1,860	0	0	0	0	0	0	0	0	0	1,860
Private	660	0	0	0	0	0	0	0	0	0	660
<i>Vehicles, Equipment and Facility Reconstruction</i>											
City	6,700	6,485	17,792	10,516	21,200	10,200	10,900	10,900	12,550	12,700	119,943
Federal	750	0	0	0	0	0	0	0	0	0	750
Private	137	0	0	0	0	0	0	0	0	0	137
<i>Large, Major and Regional Park Reconstruction Flushing Meadow</i>											
City	94,211	16,918	52,142	16,648	9,113	11,867	3,458	3,000	2,000	2,000	211,357
Federal	3,742	0	0	0	0	0	0	0	0	0	3,742
State	10,422	0	0	300	0	0	0	0	0	0	10,722
Private	300	0	0	0	0	0	0	0	0	0	300
<i>Zoos</i>											
City	4,128	0	3,079	0	0	0	0	0	0	0	7,207
<i>Project Type Total by Source of Funds</i>											
City	136,249	40,475	117,929	61,708	53,193	41,467	35,758	37,400	38,650	39,460	602,289
Federal	4,492	0	0	0	0	0	0	0	0	0	4,492
State	12,481	0	0	300	0	0	0	0	0	0	12,781
Private	1,097	0	2,658	0	0	0	0	0	0	0	3,755
<i>Project Type Total All Funds</i>											
All Funds	154,319	40,475	120,587	62,008	53,193	41,467	35,758	37,400	38,650	39,460	623,317

Citywide Equipment

The City purchases computer equipment for its major central data centers, the departmental computer systems of many City agencies, a Citywide Technology Investment Fund, and an E-Government Fund.

The data center of the Financial Information Services Agency supports Citywide applications, which are key to the City's financial integrity, such as the Financial Management System (FMS) and the Payroll Management System (PMS). FMS maintains the City's budget and accounting records in a single, unified database. This provides the Comptroller with a uniform system of accounts, which is subject to audit by an independent firm of Certified Public Accountants.

The New York City Department of Information Technology and Telecommunications (DoITT) was created to consolidate Citywide management of information and communications technologies to achieve long-term productivity improvements, revenue enhancements, and cost savings. Among the services provided by DoITT are the Computer Service Center (CSC), state-of-the-art host computer facilities supporting City agencies' systems which are critical to the City's operations, the operations of the City's website (NYC.GOV) and CityNet, the Citywide data communications network.

DoITT has responsibility for the New York City 3-1-1 Center, which provides a centralized source for information about non-emergency City services.

Capital Program Goals

- To purchase data processing equipment and services that will enable the City to achieve greater productivity with limited resources.

Citywide Equipment

Project Type: DP											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Electronic Data Processing Equipment for DoITT, Citynet</i> City	36,576	15,000	15,000	13,839	0	0	0	0	0	0	80,415
<i>Project Type Total by Source of Funds</i> City	36,576	15,000	15,000	13,839	0	0	0	0	0	0	80,415
<i>Project Type Total</i> All Funds	36,576	15,000	15,000	13,839	0	0	0	0	0	0	80,415
Project Type: PU											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Unallocated Borough Presidents</i> City	9,003	30,588	17,415	47,544	0	0	0	0	0	0	104,550
<i>Electronic Data Processing Equipment - FISA</i> City	10,686	35,000	30,000	16,145	0	0	0	0	0	0	91,831
<i>Electronic Data Processing Equipment - City-Wide</i> City	95,187	33,799	27,976	16,866	841	0	0	0	0	0	174,669
<i>Project Type Total by Source of Funds</i> City	114,876	99,387	75,391	80,555	841	0	0	0	0	0	371,050
<i>Project Type Total</i> All Funds	114,876	99,387	75,391	80,555	841	0	0	0	0	0	371,050

Citywide Summary

Project Type: CW

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<i>Citywide Total by Source of Funds</i>											
City	5,658,715	5,159,883	4,883,959	4,411,815	4,717,414	4,620,316	4,131,373	4,219,328	4,373,936	4,528,334	46,705,073
Federal	395,450	292,311	345,070	245,057	106,956	111,426	98,182	107,579	106,089	103,847	1,911,967
State	112,474	119,057	54,729	58,690	55,662	55,907	46,019	46,235	21,372	21,523	591,668
Private	35,112	20,000	3,223	0	0	0	0	0	0	0	58,335
All Funds	6,201,751	5,591,251	5,286,981	4,715,562	4,880,032	4,787,649	4,275,574	4,373,142	4,501,397	4,653,704	49,267,043