



PANYNJ 2017–2026 Capital Plan: Structure, Funding, and Partnerships

An Overview of the Port Authority of New York and New Jersey's Investment Strategy

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PANYNJ Capital Plan (2017-2026)_Overview

In 1921, Congress approved New York and New Jersey to create an interstate agency to modernize the 1,500-square-mile port district around New York Harbor to boost commerce and trade.

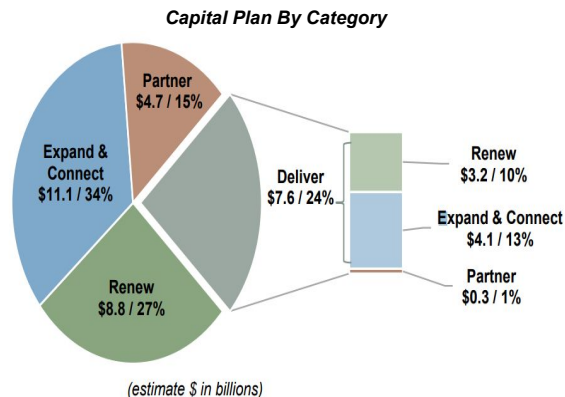
PANYNJ Capital Plan (2017–2026) – Key Highlights

- **\$32.2B plan** focused on critical infrastructure investment.
- Over **600 projects** to renew, expand, and connect key assets.
- Supports **economic growth**, **regional connectivity**, and **resilience**.
- Follows a **fiscally responsible**, risk-based approach.
- **Mission:** Keep the region moving through impactful investments.



estimate \$ in millions	
Capital Program — Direct Port Authority Spending	\$29,500
Port Authority Support of the Gateway Program	2,700
Total Capital Program	\$32,200
Currently Projected Sources	
Consolidated Bond Proceeds	\$11,275
Pay-as-You-Go Capital Investment	11,315
Other Special Obligations	2,700
Federal Funding for Storm Recovery and Resilience	1,600
Passenger Facility Charges — Aviation	2,800
Other Currently Awarded Federal Grants	530
New Federal Grants or Other Third-Party Funding	1,730
Non-Core Real Estate Asset Sales or Net-Leases	250
Total Funds Projected to Be Available	\$32,200
Funding Gap	\$0

Source: Port Authority of NY & NJ Capital Plan 2017–2026



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Keeping the Region Moving



"At the Port Authority of New York and New Jersey, we keep the region moving by air, land, rail, and sea—ensuring that the people and businesses of our region continue to thrive."

Port Authority's Operational Framework

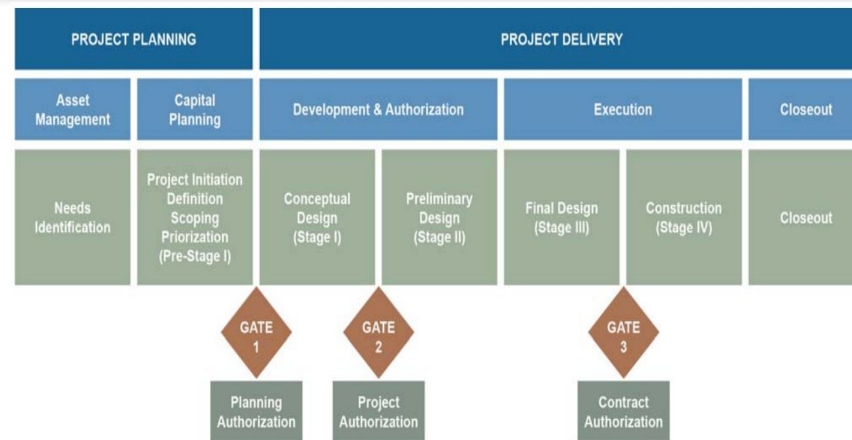


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How Do Projects Get Selected and Monitored? (most significant part that influenced my thinking about the topic)

Projects are chosen based on **strategic priorities**, **available funding**, and a structured **three-stage gating process**:

- **Gate 1:** Define project scope, justification, and priority.
- **Gate 2:** Validate project development and funding before final design.
- **Gate 3:** Confirm budget compliance and capital capacity before construction.



The **Port Authority Board** reviews capital spending **quarterly** and reassesses the full plan **every two years** to ensure alignment with long-term goals.

Key Principles:

- Projects must have **confirmed capital capacity** before starting.
- If funding is insufficient, projects may be **modified, deferred, or canceled**.
- Only **highly likely** revenue sources or savings are counted toward capacity.

Example:

The **LaGuardia Terminal B Redevelopment** demonstrated the importance of gating, funding validation, and priority alignment in managing major infrastructure investments.



Recommendations

S.No	Problem Area	Issue	Why It Matters	Example	Recommended Solution
1	No Public Needs Assessment	No transparent report on condition of facilities and future repair needs	Hard to tell if funds are properly allocated; risks of missing critical repairs	Newark AirTrain was excluded from the 2014–2023 plan, then required \$377M in emergency repairs	Publish a full State of Good Repair (SGR) assessment
2	No Clear Project Selection Criteria	Projects not evaluated with consistent standards (e.g., cost-benefit)	May fund low-impact projects while neglecting high-impact ones	PATH extension to Newark Airport: costly, duplicates NJ Transit, only 7,000 projected riders	Use measurable criteria like cost-benefit analysis and regional impact
3	Bi-State Parity in Funding	Spending is split evenly between NY and NJ regardless of project value	Political fairness may outweigh practical and economic benefits	Port Authority Bus Terminal (in NY) benefits NJ commuters most, but parity limits investment	Move to value-based funding instead of strict 50/50 geographic split
4	Limited Public Engagement	Minimal opportunities for community input in planning	Overlooks local knowledge and priorities; lowers public trust	Community concerns over LaGuardia Airport redevelopment process	Hold public forums and open comment periods early in the planning process
5	Weak Project Cost Controls	Projects often face cost overruns and delays due to weak oversight	Wastes resources and delays project benefits	World Trade Center redevelopment faced major cost overruns	Implement strict cost monitoring, phased funding, and independent audits

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