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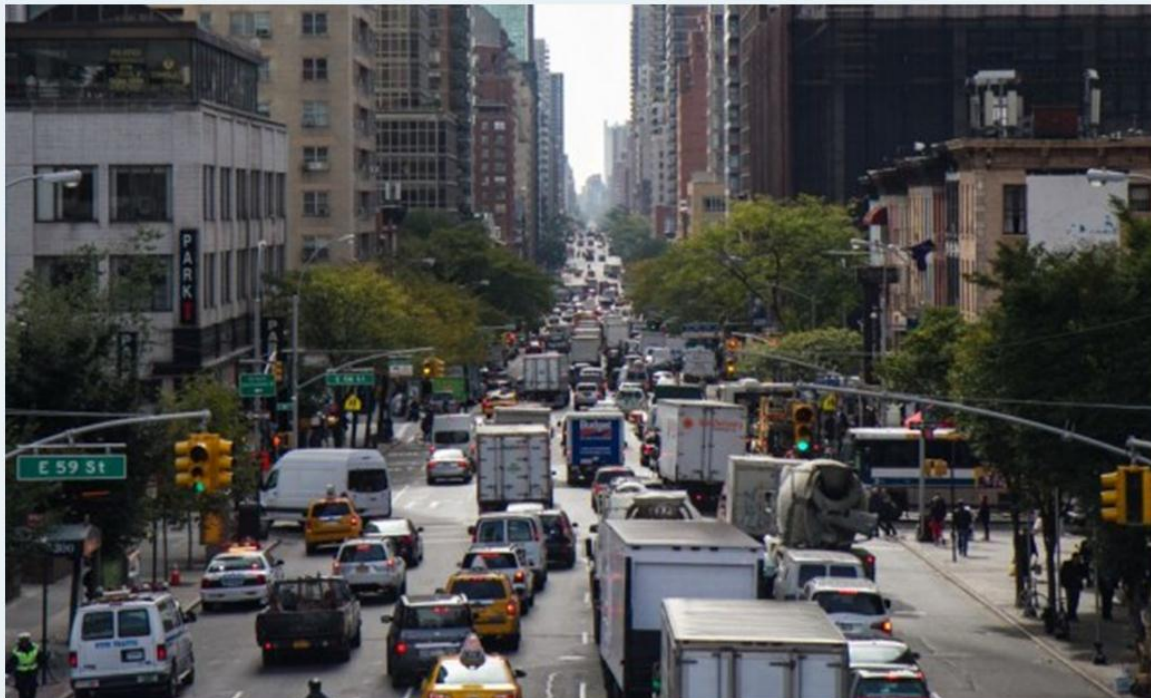
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City Moves \$1 Billion in Capital Spending Forward Projected to save money and create jobs

By Zachary Stieber



Traffic congestion on Second Avenue after merging from the Queens Borough Bridge in New York City on Oct. 17. The city plans to move forward on more than \$1 billion in infrastructure improvements including resurfacing miles of roadway. (Benjamin Chasteen/The Epoch Times)

NEW YORK—The city will accelerate work on more than \$1 billion in infrastructure improvement, including school building repairs, resurfacing miles of roadway, and repairing bridges.

Moving projects that were already in the capital plan up to fiscal year 2013 or fiscal year 2014 will create an estimated 8,000 jobs, according to the mayor's office.

Along with the announcement the city released an update of the four-year capital plan that includes \$13.5 billion in fiscal year 2013, which began in July. The city-funded portion is just more than \$11 billion. Spending is in areas such as transportation, hospitals, and parks.

The city government is the biggest spender in the construction industry, according to a report from the New York Building Congress released Wednesday. Figures from the report show the city government accounts for nearly half of the \$30.7 billion expected to be spent this year on construction.

Speeding up the projects means borrowing the \$1 billion needed in the short-term, but the mayor's office estimates taxpayers will save \$200 million over the life of city-bought bonds.

In contrast to this year's capital budget of \$13.5 billion, the capital budget was only \$6.3 billion in 2002. The rising spending concerns Maria Doulis, director of city studies at the Citizens Budget Commission, a budget watchdog.

"There has been a record level of capital spending by the Bloomberg administration and a greater level of debt," Doulis told Crain's New York. She said the spending could end up being additional with the money that would be theoretically saved in the future just getting spent on something else.

The city's outstanding general obligation debt was \$41.25 billion in mid-2011, according to the latest figures from the city Comptroller's Office.

Doug Turetsky, chief of staff with the nonpartisan Independent Budget Office of the City of New York, said that getting the projects done quicker by taking advantage of low interest rates and relatively low construction costs "seems like a viable method."

The projects are basic maintenance, he said. "They're talking about speeding up street resurfacing, or repairs to school buildings, not the kind of stuff where you have to find a site for [a new] school and go through the approval process."