

Gov. Cuomo wants to use our State and Local Pension Fund to pay for the Tappan Zee Bridge



Dear Ralph,

The state is looking at "alternative financing" options to pay for replacing the Tappan Zee Bridge, **including the possibility of using money from our State and Local Pension Funds** to help cover costs, Gov. Andrew Cuomo said Tuesday.



Sincerely,

Retired Public Employees Association

IS THIS THE BEST USE OF THE PENSION FUND?



In a radio interview, Cuomo said the state doesn't have the cash on hand to pay for large-scale infrastructure projects like the seven-lane span between Rockland and Westchester counties and is looking at a variety of sources to help with financing.

"There are a number of possibilities for financing, and we're talking to everyone," Cuomo said Tuesday on WGDJ-AM in Albany. "There are state pension funds. There are city pension funds. There are labor pension funds. There are private-sector equity funds and debt funds."

Cuomo's comments came after *The Wall Street Journal* reported Tuesday that the Governor's Office met last week with a group of labor leaders, who proposed taking \$1 billion to \$2 billion from a group of public and private pension funds and investing it in construction projects.

The governor, however, said Tuesday that talk of using pension funds for infrastructure is "premature," and his office stressed that details of how the system would operate haven't been worked out.

The Cuomo administration has indicated infrastructure repairs and upgrades would be a major part of the governor's agenda next year.

Cuomo made a passionate plea to the state Democratic Committee last week to support rebuilding the 56-year-old Tappan Zee Bridge.

The bridge is currently slated for a \$5.2 billion replacement,

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though the state Department of Transportation said last week that a number of different options are on the table. Cuomo estimates the project would create 90,000 jobs.

Read more: [Pension funds may be used to repair Tappan Zee Bridge](#) Nov. 23, 2011
Written by Jon Campbell Gannett News-Albany bureau

What Others Are Saying

This is a painfully protracted and expensive way of publicly financing a project that the state doesn't have sufficient funds to underwrite. E.J. McMahon of the Manhattan Institute, with whom RPEA rarely agrees said "There's no good reason for a public pension fund to be involved in this."

Comptroller Thomas DiNapoli's office hasn't taken a position on the issue, spokesman Eric Sumberg said. DiNapoli is the sole trustee of the state's \$133.8 billion pension fund, which saw a 7.48 percent drop in returns for the second quarter of the current fiscal year.

While the state is exploring several different financing options, Cuomo said all of them would keep the state as the owner of the Tappan Zee, ruling out any sort of sale of the bridge or leaseback agreement. "We are looking at a variety of options, but they all have ownership staying with the state," Cuomo said.



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