

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

COMMITTEE ON OPERATIONS

MINUTES

Thursday, April 22, 2004

Staten Island Railroad – Agreement for Funding with New York City
Economic Development Corporation

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**MINUTES OF
COMMITTEE ON OPERATIONS
Thursday, April 22, 2004****PRESENT:**

Hon. Charles A. Gargano, Chairman
Hon. Anthony J. Sartor
Hon. Henry R. Silverman
Hon. Anastasia M. Song
Committee Members

Joseph J. Seymour, Executive Director
Jeffrey S. Green, General Counsel
Karen E. Eastman, Secretary

Ernesto L. Butcher, Chief Operating Officer
Arthur J. Cifelli, Acting Deputy Executive Director/Director, Government and
Community Affairs
William R. DeCota, Director, Aviation
Linda C. Handel, Assistant Secretary
L. Jay Hector, Senior Policy Advisor to the Vice-Chairman
Louis J. LaCapra, Chief Administrative Officer
Richard M. Larrabee, Director, Port Commerce
Robert R. Lurie, Senior Policy Advisor, Office of the Chairman
Mark F. Muriello, Assistant Director, Tunnels, Bridges and Terminals
Catherine F. Pavelec, Manager, Administration, Protocol and Executive Correspondence,
Office of the Secretary
Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
Edmond F. Schorno, Chief of Staff
Cheryl A. Yetka, General Manager, Financial Services Department

The Committee meeting was called to order in executive session by the Chair at 10:38 a.m. and ended at 11:29 a.m.

STATEN ISLAND RAILROAD – AGREEMENT FOR FUNDING WITH NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

At its meeting on March 20, 2003, the Board authorized the Executive Director to: (1) negotiate an agreement with the New York City Economic Development Corporation (NYCEDC) for the Port Authority to provide an estimated \$32 million in funding for the rehabilitation of portions of the Staten Island Railroad in New York; and (2) enter into an agreement with the NYCEDC based upon the terms negotiated, subject to the review and approval of the Committee on Operations. Staff has reached an agreement with the NYCEDC to provide funding for the construction of the Arlington Yard and related rail facilities on Staten Island necessary to provide for the restoration of rail service to the Howland Hook Marine Terminal (HHMT), including the Port Ivory Intermodal Terminal, and it was recommended that the Committee authorize the Executive Director to enter into the agreement.

Execution of the agreement will allow the NYCEDC to award a contract for construction of the Arlington Yard and related rail facilities on Staten Island. Delay in award of the contract could result in the requirement to re-bid, the risk of higher costs, and the inability to begin work during the 2004 construction season. The project is vital to the financial health of the HHMT, because it will enable it to compete on an equal basis with other marine terminals on the Atlantic Coast. It also will support related Port Authority investments that include the Chemical Coast Line connector and the Port Ivory Intermodal Terminal. Lastly, provisions of the lease with the operator of the HHMT, Howland Hook Marine Terminal, Inc., obligate the Port Authority to provide rail service to the facility.

Pursuant to the foregoing report, the following resolution was adopted by the Committee in executive session with Commissioners Gargano, Sartor, Silverman and Song voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the New York City Economic Development Corporation to provide funding for the construction of the Arlington Yard and related rail facilities on Staten Island necessary to provide for the restoration of rail service to the Howland Hook Marine Terminal, including the Port Ivory Intermodal Terminal, substantially in accordance with the terms outlined to the Committee; and it is further

RESOLVED, that the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary