

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, October 20, 2011

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MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, October 20, 2011 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. William P. Schuber
 Hon. David S. Steiner

Christopher O. Ward, President
 Ernesto L. Butcher, Vice-President
 Darrell B. Buchbinder, Counsel

Susan M. Baer
 William Baroni, Jr.
 Steven J. Coleman
 John C. Denise
 Michael P. DePallo
 Gretchen P. DiMarco
 John J. Drobny
 Karen E. Eastman
 Michael G. Fabiano
 Michael A. Fedorko
 Cedrick T. Fulton
 Lash L. Green
 Glenn P. Guzi
 Linda C. Handel
 Mary Lee Hannell
 Christopher M. Hartwyk
 Andrew T. Hawthorne
 Howard G. Kadin
 Kirby King
 Louis J. LaCapra
 Cristina M. Lado
 Conor Lanz
 Richard M. Larrabee
 Jamie E. Loftus
 Stephen Marinko
 Ronald Marsico
 Michael G. Massiah
 Daniel G. McCarron
 James E. McCoy
 Anne Marie C. Mulligan
 Patrick O'Reilly

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. H. Sidney Holmes III
 Hon. Jeffrey H. Lynford
 Hon. Henry H. Silverman

Desiree Ramos
Brian W. Simon
Timothy G. Stickelman
Gerald B. Stoughton
Robert A. Sudman
David B. Tweedy
Ralph Tragale
Lillian D. Valenti
Michael L. Valletta
Sheree Van Duyne
Robert E. Van Etten
David M. Wildstein
Peter J. Zipf

Guest:

Johanna Jones

Speakers:

Murray Bodin
Michael L. Brendzel
Margaret Donovan
Richard Hughes
Yvonne Garrett Moore
Linda Williams

The public meeting was called to order by Chairman Samson at 1:12 p.m. and ended at 1:46 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Vice-President submitted for approval Minutes of the meeting of September 22, 2011. He reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on September 23, 2011. He reported further that the time for action by the Governors of New York and New Jersey expired at midnight on October 7, 2011.

Whereupon, the Board of Directors unanimously approved the Minutes of the meeting of September 22, 2011.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on October 20, 2011, which included discussion of matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public session at its meeting on October 20, 2011, which included discussion of an item to design, construct and install a new compressed air system for PATH's track and signal operations, and an item for the demolition of three connected single-story industrial buildings required for the future redevelopment of the PATH Harrison Station, and the report was received.

Report of Nominating Committee

During the course of the meeting, the Nominating Committee submitted its report, and the report was received and is included with these minutes. The Nominating Committee also reported that the members of the Committee had unanimously consented to waive the requirement of two days' notice of the meeting.

ELECTION OF OFFICER

Chairman Samson announced that, in accordance with the provisions of the By-Laws, an election was in order to fill the vacancy in the position of President caused by the impending departure of Christopher O. Ward.

Director Sartor, as Chair of the Nominating Committee, submitted the following report:

“On behalf of the Nominating Committee, I desire to report that at its meeting held earlier today, in accordance with the provisions of Article VII of the By-Laws, the Committee, by unanimous action, submits the nomination of Patrick J. Foye as President of Port Authority Trans-Hudson Corporation. Mr. Foye will begin his service on or about November 1, 2011.”

Pursuant to the foregoing report, Directors Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Sartor, Schuber, Silverman and Steiner voting in favor, Patrick J. Foye was unanimously elected as President of Port Authority Trans-Hudson Corporation. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

PATH – NEWARK TAILTRACK AIR COMPRESSOR SYSTEM – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the design, construction and installation of a compressed air system to serve existing Port Authority Trans-Hudson Corporation (PATH) track and signal operations in the area between the Dock Bridge and the track terminus at South Street Yard in Newark, New Jersey, at a total project cost of \$3.7 million; and (2) the President of PATH to enter into related agreement(s) with Amtrak to permit PATH to perform work above Amtrak tracks and to install and maintain infrastructure located on Amtrak property and provide reimbursement for Amtrak engineering and labor services necessary to support the project.

Currently Amtrak provides a compressed air system required to operate PATH signal train stops and/or switches that control train movements for PATH's operational needs between the Dock Bridge and the South Street Yard track termination in Newark. In the event that Amtrak loses compressed air, PATH utilizes two 10-horsepower (hp) back-up air compressors. However, these air compressors are insufficient to accommodate PATH's day-to-day operations.

In 2011, Amtrak's compressed air system failed on a number of occasions, which has resulted in a number of delayed and/or cancelled PATH trains, generally during peak travel periods. Due to the frequency of these failures, staff believes it is in the best interest of PATH to secure its primary air compressor requirements independent of Amtrak. Moreover, there is no guarantee that Amtrak will continue to provide PATH with a compressed air system indefinitely.

The proposed project would provide for the design, construction and installation of a compressed air system that would include two 40-hp air compressors and the necessary ancillary equipment to enable PATH to provide its own compressed air for PATH operations.

The proposed scope of work includes furnishing and installing electrical conduits near Amtrak's tracks and electrical conduits and utility cabinets on Amtrak's trackside structures, and compressed air system utilities south of Newark Penn Station at PATH's flyover of Amtrak's tracks below. Therefore, PATH would have to negotiate a right-of-entry agreement with Amtrak to perform work on Amtrak property. In addition, PATH would need to reimburse Amtrak for its engineering assessment of the proposed work and, during construction, for its flagmen.

Pursuant to the foregoing report, the Board adopted the following resolution, with Directors Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Sartor, Schuber, Silverman and Steiner voting in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the design, construction and installation of a compressed air system to serve existing Port Authority Trans-Hudson Corporation (PATH) track and signal operations in the area between the Dock Bridge and the track terminus at South Street Yard in Newark, New Jersey, at a total project cost of \$3.7 million, be and it hereby is authorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to enter into related agreement(s) with Amtrak to permit PATH to perform work above Amtrak tracks and to install and maintain infrastructure located on Amtrak property and provide reimbursement for Amtrak engineering and labor services necessary to support the project; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements related to the foregoing project as he deems in the best interest of PATH, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all documents and agreements in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative.

PATH – ACQUISITION OF PROPERTY FOR THE REDEVELOPMENT OF HARRISON STATION

It was recommended that the Board authorize the President to enter into a Purchase and Sale Agreement with Benharjay Realty Corp. (Benharjay), and take other related actions as necessary, to purchase a lot, identified as Block 137, Lot 1, in the Town of Harrison, New Jersey, consisting of approximately 2.12 acres (the Property), which includes three connected single-story industrial buildings encompassing a total of approximately 60,000 square feet, for an amount not to exceed \$1.5 million, plus estimated subsurface environmental remediation costs of approximately \$1.2 million and closing and contingency costs associated with the acquisition of the Property totaling approximately \$150,000, for the redevelopment of the Port Authority Trans-Hudson Corporation (PATH) Station in Harrison.

Acquisition of the Property is required as part of long-term plans to redevelop the PATH Harrison Station. The Board previously authorized planning work to support the replacement and upgrading of Harrison Station at its March 27, 2008 meeting. Part of this planning effort included identification of property required to construct the new station. The proposed acquisition of the Property at this time was recommended in order to preserve the Property's availability to PATH for the long-term redevelopment plans.

The Property would be delivered vacant at closing. No PATH payments to Benharjay would be obligated, due or payable until closing. PATH would purchase the Property for \$1.5 million and would accept the property "as is" with regard to any environmental remediation required to construct the proposed facilities. A Phase II Environmental Report was completed by a Port Authority consultant that estimated the subsurface environmental remediation cost for the proposed facilities to be between \$1 million and \$1.2 million.

It is anticipated that authorization will be sought in the future for additional properties required in connection with the redevelopment of the PATH Harrison Station.

Pursuant to the foregoing report, the Board adopted the following resolution, with Directors Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Sartor, Schuber, Silverman and Steiner voting in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans Hudson Corporation (PATH), to enter into a Purchase and Sale Agreement with Benharjay Realty Corp., and take other related actions as necessary, to purchase the lot identified as Block 137, Lot 1 (the Property), in the Town of Harrison, New Jersey, consisting of approximately 2.12 acres, which includes three connected single-story industrial buildings encompassing a total of approximately 60,000 square feet, for an amount not to exceed \$1.5 million, plus closing and contingency costs associated with the acquisition of the Property totaling approximately \$150,000, for the redevelopment of the PATH Station in Harrison; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to take all actions necessary to provide for the required subsurface environmental remediation of the Property, the cost of which is currently estimated at approximately \$1.2 million; and it is further

RESOLVED, that the form of all documents and agreements in connection with the foregoing shall be subject to the approval of Counsel or his authorized representative.

PATH – DEMOLITION OF EXISTING BUILDINGS FOR THE REDEVELOPMENT OF HARRISON STATION – PROJECT AUTHORIZATION

In connection with long-term plans to redevelop the Port Authority Trans-Hudson Corporation (PATH) Harrison Station, it was recommended that the Board authorize a project for the demolition of, and related abatement work at, three buildings located on a parcel of property in Harrison, New Jersey to be acquired by PATH as part of a separate transaction, at an estimated total project cost of \$4.8 million.

At its meeting of March 27, 2008, the Board authorized planning work for the replacement and upgrading of the PATH Harrison Station. Under a companion item being advanced at this meeting, the Board is considering an action that would authorize the acquisition by PATH of the subject property, which consists of three connected single-story industrial manufacturing buildings encompassing a total of approximately 60,000 square feet, located on an approximate 2.12-acre parcel in Harrison. The proposed project would provide for the demolition of the existing buildings and would include abatement work at the buildings, including removal of lead, asbestos, tar and universal waste, and a paint shop clean-up, which work would be performed concurrently with the demolition, in accordance with all applicable environmental requirements. The proposed project is required in connection with the long-term plans to redevelop the PATH Harrison Station.

Pursuant to the foregoing report, the Board adopted the following resolution, with Directors Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Sartor, Schuber, Silverman and Steiner voting in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for abatement work at, and demolition of, three existing connected single-story manufacturing buildings located in Harrison, New Jersey, at an estimated total project cost of \$4.8 million, in connection with the future redevelopment of the Port Authority Trans-Hudson Corporation (PATH) Harrison Station, be and it hereby is authorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to contracts for professional and advisory services and such other contracts and agreements related to the foregoing project as he deems in the best interest of PATH, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all documents and agreements in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Vice-President