

**PORT AUTHORITY TRANS-HUDSON CORPORATION**

**MINUTES**

**Wednesday, September 18, 2013**

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Wednesday, September 18, 2013 at 225 Park Avenue South, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. David Samson, Chairman  
 Hon. Richard H. Bagger  
 Hon. Anthony J. Sartor  
 Hon. William P. Schuber  
 Hon. David S. Steiner

Patrick J. Foye, President  
 William Baroni, Jr., Vice-President and Secretary  
 Darrell B. Buchbinder, Counsel

Thomas L. Bosco  
 Steven J. Coleman  
 Philippe Danielides  
 Stephanie E. Dawson  
 John C. Denise  
 Joseph P. Dunne  
 Karen E. Eastman  
 Michael A. Fedorko  
 Michael B. Francois  
 Cedrick T. Fulton  
 David Garten  
 Linda C. Handel  
 Mary Lee Hannell  
 Anthony Hayes  
 Howard G. Kadin  
 Stephen Kingsberry  
 Cristina M. Lado  
 Patrick Lanza  
 Richard M. Larrabee  
 John H. Ma  
 Lisa MacSpadden  
 Stephen Marinko  
 Ronald Marsico  
 Daniel G. McCarron  
 Elizabeth M. McCarthy  
 James E. McCoy  
 Jared Pilosio  
 Alan L. Reiss  
 Brian W. Simon  
 Timothy G. Stickelman  
 Gerald B. Stoughton  
 David B. Tweedy

**NEW YORK**

Hon. Scott H. Rechler, Vice-Chairman  
 Hon. Kenneth Lipper  
 Hon. Jeffrey H. Lynford  
 Hon. Jeffrey A. Moerdler  
 Hon. Rossana Rosado

Christopher M. Valens  
Lillian D. Valenti  
Sheree R. Van Duyne  
Ian R. Van Praagh  
David M. Wildstein  
Peter J. Zipf

Guests:

Nicole Crifo  
Regina Egea  
Jeanine M. Thompson  
Trey Wadsworth

Speakers:

Jonathan Bien  
Murray Bodin  
Margaret Donovan  
Richard Hughes  
Neile Weissman

The public meeting was called to order by Chairman Samson at 1:35 p.m. and ended at 2:01 p.m. The Board met in executive session prior to the public session.

**Action on Minutes**

Counsel submitted for approval Minutes of the meeting of May 29, 2013. 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 May 30, 2013. He reported further that the time for action by the Governors of New York and New Jersey expired at midnight on June 13, 2013.

Whereupon, the Board of Directors unanimously approved the Minutes of the meeting of May 29, 2013.

**PATH – AMENDMENT AND EXTENSION OF AGREEMENT WITH NEW YORK METROPOLITAN TRANSPORTATION AUTHORITY/NEW YORK CITY TRANSIT AUTHORITY REGARDING THE SALE, USE AND PROCESSING OF FARE MEDIA**

It was recommended that the Board authorize the President of Port Authority Trans-Hudson Corporation (PATH) to enter into an amendment to extend the existing Memorandum of Understanding (MOU) with the New York Metropolitan Transportation Authority (MTA) and its related entity, New York City Transit Authority (NYCT), for the back-office, operational and customer service support of MetroCard<sup>SM</sup> and PATH single-ride ticket sales and use, SmartLink<sup>SM</sup> smart card replenishment, debit/credit operations (including fraud investigations), ticket vending machine revenue servicing, customer service, revenue reconciliation and settlement of funds between PATH and MTA/NYCT, for a ten-year term, at a total estimated aggregate cost to PATH of \$36,964,000.

Via several prior actions from October 23, 2003 through September 22, 2005, the Board authorized certain agreements with the MTA/NYCT that, among other things, authorized PATH to allow for the use of the value-based MetroCard<sup>SM</sup> fare media on the PATH rail system, and for MTA/NYCT to provide for the back-office, operational and customer service support of value-based MetroCard<sup>SM</sup> and PATH single-ride ticket sales and use, SmartLink<sup>SM</sup> smartcard replenishment, debit/credit operations (including fraud investigations), ticket vending machine revenue servicing, customer service, and revenue reconciliation and settlement of funds between the agencies for a five-year term, with a five-year option period. The current agreement is due to expire on November 22, 2013. The proposed amendment to the MOU would permit the continuance of the same services for a ten-year period, at an estimated cost to PATH of \$36,964,000.

Pursuant to the foregoing report, the Board adopted the following resolution, with Directors Bagger, Lipper, Lynford, Moerdler, Rechler, Rosado, Samson, Sartor, Schuber 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 an amendment to extend the existing Memorandum of Understanding with the New York Metropolitan Transportation Authority (MTA) and its related entity, New York City Transit Authority (NYCT), for the back-office, operational and customer service support of MetroCard<sup>SM</sup> and PATH single-ride ticket sales and use, SmartLink<sup>SM</sup> smart card replenishment, debit/credit operations (including fraud investigations), ticket vending machine revenue servicing, customer service, revenue reconciliation and settlement of funds between PATH and MTA/NYCT, for a ten-year term, at a total estimated aggregate cost to PATH of \$36,964,000; and it is further

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

**PATH – GROVE STREET STATION PROGRAM – PHASE 1 – ACCESS IMPROVEMENTS – PROJECT AUTHORIZATION AND AUTHORIZATION OF RELATED ACTIONS NECESSARY TO PROVIDE FOR THE SETTLEMENT OF ONGOING LITIGATION CONCERNING COMPLIANCE WITH THE AMERICANS WITH DISABILITY ACT**

It was recommended that the Board: (1) authorize Phase 1 of a Port Authority Trans-Hudson Corporation (PATH) project (Project) for the design and construction of certain access improvements at the PATH Grove Street Station that are necessary to effectuate an interim solution to comply with the requirements of the Americans with Disabilities Act (ADA), at an estimated total Project cost of \$20 million; (2) authorize the President of PATH to award construction contracts and other agreements necessary to effectuate the Project, inclusive of construction contracts to implement certain vertical circulation improvements, at an estimated cost of \$8.3 million; (3) make the necessary findings and determinations to enable PATH to acquire, by agreement or condemnation, certain property interests or rights located in the vicinity of Christopher Columbus Drive and Grove Street, and such other parcels of property in Jersey City, New Jersey (Jersey City), that may be required to support the development of the Project; (4) authorize the President of PATH and Counsel to PATH, either one acting individually, to acquire, for and on behalf of PATH, by agreement or eminent domain (condemnation), pursuant to applicable law, the required property interests or rights, and to incur all costs and expenses and execute all documents, including, without limitation, conveyances relating to the transfer of property interests to or from PATH, and agreements with the City of Jersey City and other public and private entities, involving, among other matters, property interests, maintenance, environmental studies, environmental remediation and removal of existing structures or portions thereof, mitigation of impacts to designated lands, appraisals, surveys, title searches and title insurance, necessary or incidental to such acquisition or to effectuate the Project, the total cost of which also is included in the total estimated Project amount; and (5) authorize the President of PATH and Counsel to PATH, either one acting individually, to enter into agreements and take all other actions that may be necessary to effectuate the settlement of the case entitled, *hip (Heightened Independence and Progress, Inc.) v. The Port Authority of New York and New Jersey* (ADA Litigation), currently pending in the United States District Court for the District of New Jersey, which may include the payment by PATH of a portion of plaintiffs' legal fees up to \$750,000 and agreement(s) concerning continued court jurisdiction regarding progress on the implementation of the Project, until such time as the Project is substantially completed.

On June 30, 2008, the Board authorized planning work for the Grove Street Station Capacity Enhancement and Station Modernization, at an estimated amount of \$6.5 million, inclusive of planning for certain vertical circulation improvements. A portion of such costs are covered under the proposed total estimated Project amount.

The PATH Grove Street Station, located in Jersey City, was opened to the public in 1910. The station was modernized by PATH in the 1970s, with the addition of the current west entrances, and the east entrance was reopened in 2005. The existing station accommodates train sets of up to eight railcars and lacks access for mobility-impaired patrons.

In 2007, the ADA Litigation was initiated against the Port Authority, in which the plaintiffs claimed that the Port Authority violated the ADA by not providing access for mobility-impaired individuals when the east entrance was re-opened. Approval of the proposed Project, along with an agreement with the plaintiffs regarding attorneys' fees and continued court jurisdiction, would effectuate settlement of the ADA Litigation.

The Phase 1 Project includes the installation of an elevator from the street to the mezzanine level within an existing vacant shaft and the installation of an enclosed vertical platform lift from the mezzanine level to the platform level, as well as the partial reconfiguration of the fare zone to accommodate the lift while maintaining appropriate pedestrian flow, which would ensure the PATH station is ADA-accessible. The improvements also would comply with Port Authority sustainability guidelines. In addition, the elevator to be installed as part of the Project would be incorporated into the permanent solution that would be required to maintain ADA compliance upon implementation of Phase 2 of the enhancement and station modernization project, which is subject to future Board authorization and would include extending the platform to accommodate ten-car PATH trains.

The proposed Phase 1 Project would involve acquiring certain surface and sub-surface property interests adjacent to the southwest entrance of Grove Street Station from the City of Jersey City and Wells Real Estate.

This item shall remain confidential until such time as the settlement agreement concerning the ADA Litigation has been executed.

Pursuant to the foregoing report, the Board adopted the following resolution in executive session, with Directors Bagger, Lipper, Lynford, Rosado, Schuber and Steiner voting in favor; Directors Moerdler, Rechler, Samson and Sartor recused and did not participate in the consideration of, or vote on, this item. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a Port Authority Trans-Hudson Corporation (PATH) project (Project) for the design and construction of certain access improvements at the PATH Grove Street Station that are necessary to effectuate an interim solution to comply with the requirements of the Americans with Disabilities Act (ADA), at an estimated total Project cost of \$20 million, be and it hereby is authorized; and it is further

**RESOLVED**, that the President of PATH 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 as may be necessary to effectuate the Project, inclusive of one or more construction contract(s) to implement certain vertical circulation improvements at Grove Street Station, at an estimated cost of \$8.3 million; and it is further

**RESOLVED**, that the Board hereby finds and determines that, for a public use, it is necessary, convenient or desirable for PATH to acquire, as authorized by bi-state legislation providing for the financing and effectuation of a port development project, consisting of the Hudson tubes, the Hudson tubes extensions and a World Trade Center, for purposes of modernizing and making enhancements at the PATH Grove Street Station, rights and property interests (which may include fee or lesser estates) in lands which are shown on the Tax Map of Jersey City, New Jersey, approved by the New Jersey Department of the Treasury on May 8, 2009, including Block 12902, Lot 1, formerly known as Block 203, Lot 26; and in lands generally located in the vicinity of Christopher Columbus Drive and Grove Street, and such other parcels of property in Jersey City, New Jersey, required to support the development of the Project, subject to a more precise description of such rights and property interests as may result from further

engineering design, an inspection of the premises, a title search, and the conduct of surveys of the premises by a licensed land surveyor; and it is further

**RESOLVED**, that the President of PATH and Counsel to PATH, either one acting individually, be and each hereby is authorized to acquire, for and on behalf of PATH, the property rights and interests in the lands found and determined by the Board as necessary, convenient or desirable to be acquired for a public use, by agreement or by condemnation (including eminent domain), pursuant to applicable law, and to incur all costs and expenses and execute all documents, including, without limitation, conveyances relating to the transfer of property interests to or from PATH, and agreements with the City of Jersey City and other public and private entities, involving, among other matters, property interests, maintenance, environmental studies, environmental remediation and removal of existing structures or portions thereof, mitigation of impacts to designated lands, appraisals, surveys, title searches and title insurance, necessary or incidental to such acquisition or to effectuate the Project; and it is further

**RESOLVED**, that the President of PATH and Counsel to PATH, either one acting individually, be and each hereby is authorized, for and on behalf of PATH, to enter into agreements and take all other actions that may be necessary to effectuate the settlement of the case entitled, *hip (Heightened Independence and Progress, Inc.) v. The Port Authority of New York and New Jersey*, currently pending in the United States District Court for the District of New Jersey, which may include the payment by PATH of some portion of plaintiffs' legal fees, in an amount up to \$750,000, and agreement(s) concerning continued court jurisdiction regarding progress on the implementation of the Project, until such time as the Project is substantially completed; and it is further

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

Whereupon, the meeting was adjourned.

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Counsel