

Chris Christie, Governor  
Kim Guadagno, Lieutenant Governor  
James S. Simpson, Board Chairman  
James Weinstein, Executive Director

**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

April 13, 2012

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc.. Board of Directors held on Wednesday, April 11, 2012.

Sincerely,



Joyce J. Zuczek  
Acting Board Secretary

Enclosures

Honorable Chris Christie  
Governor, State of New Jersey  
State House  
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, April 11, 2012.

**Present:**

Bruce M. Meisel, Acting Chairman  
Regina M. Egea, Governor's Representative  
Steven Petrecca, Treasurer's Representative  
Joseph W. Mrozek, Deputy Commissioner, New Jersey Department of Transportation  
James C. Finkle, Jr., Board Member  
Flora Castillo, Board Member

James Weinstein, Executive Director  
Joyce J. Zuczek, Acting Board Secretary  
Penny Bassett Hackett, Acting Assistant Executive Director, Communications & Customer Service  
Joyce Gallagher, Vice President & General Manager, Bus Operations  
Kevin O'Connor, Vice President & General Manager, Rail Operations  
Joseph Kelly, Acting Chief of Police  
Michael Lihvarcik, Acting Chief Financial Officer & Treasurer  
Steven Santoro, Assistant Executive Director, Capital Planning & Programs  
Alma Scott-Buczak, Assistant Executive Director, Human Resources  
Carlos Ramirez, Assistant Executive Director, Corporate Affairs  
Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs  
Warren Hersh, Auditor General  
Kenneth Worton, Deputy Attorney General

Acting Chairman Bruce M. Meisel convened the Open Session at 9:06 a.m. in accordance with the Open Public Meetings Act. Acting Chairman Meisel asked for a motion to adopt the minutes of the March 14, 2012 meetings. A motion was made by Flora Castillo, seconded by James C. Finkle, Jr. and adopted.

**Public Comments on Agenda Items and Other Matters**

There were seven public comments. Acting Board Secretary Zuczek announced public comments will be limited to five minutes in order to give everyone an opportunity to be heard.

Acting Chairman Meisel welcomed the first speaker.

**David Peter Alan** said that the two Agenda items for today are peripheral to the purview of the Lackawanna Coalition. He stated that the Wood-Ridge – Wesmont Station development plan was difficult to fully comprehend. Mr. Alan said that while the

Coalition strongly supports the positive steps that were taken during the past several months to improve transparency, the public needs to be given as much time as Board members to evaluate such complex proposals.

Mr. Alan stated that the Coalition was aware of both the new rules prohibiting the use of bicycles on low-level platforms and the opposition of the cycling community to those rules. He said that most of the stations on the Morris & Essex, Gladstone, and Montclair-Boonton lines have low-level platforms, including Hoboken Terminal. Mr. Alan stated that the new rule is counterproductive and possibly burdensome to cyclists during a time when transit riders are being encouraged to use their bicycles to get to and from their transit ride. He advised that Gary Kazin, Secretary for the Lackawanna Coalition, was no longer permitted to get on or off the train with his bike at Millburn, where Coalition meetings are held, and that Mr. Kazin must get on and off at Summit and pedal the distance both ways. Mr. Alan said that crews do not always see individuals waiting for the train at stations with mini-high-level platforms and that the time required for double-spotting may disrupt scheduled operations. He asked that NJ TRANSIT work with the bicycle community to restore bicycle access to all stations.

Mr. Alan reported that it is important that the phased-implementation approach to improved trans-Hudson mobility supported by the Lackawanna Coalition be implemented. He advised that at the National Association of Rail Passengers/Delaware Valley Association of Rail Passengers conference in Philadelphia on March 24, 2012, Drew Galloway, Assistant Vice President for the Northeast Corridor at Amtrak, said that the public would have to make a choice between the proposed Gateway project delivering tunnel redundancy into the existing Penn Station, or being extended eventually to the East Side. Mr. Alan stated that on April 3, 2012, Mr. Joseph Lhota, MTA Chairman, said that the #7 Subway extension to Secaucus would not happen in his lifetime.

Mr. Alan said this leaves the approach supported by the Coalition, which is based on previous planning design work done for NJ TRANSIT and demonstrates that it is feasible to provide both tunnel redundancy with two new tracks into Penn Station with the eventual extension of the line to the East Side. Mr. Alan stated that with the phased approach developed by Joseph Clift and James Raleigh, the costs would be significantly less to achieve both goals than to build Amtrak's Gateway proposal, which would only give NJ TRANSIT a new dead-end terminal.

Mr. Alan stated that bringing the Northeast Corridor, especially its electrical system, into a state-of-good-repair with modern equipment should be the top priority for NJ TRANSIT's capital investment, specifically \$50 million more in Fiscal Year 2013 and more than the \$28 million budgeted for Fiscal Year 2012. He said that there is no project more important to the continuing vitality of the entire railroad. Mr. Alan stated that the riders need redundancy to ensure smooth operations into Penn Station, with access to the East Side that the project can provide and that without the improvement, New Jersey would remain at a competitive disadvantage in comparison to New York.

Acting Chairman Meisel said the Wood-Ridge project is not a brand new project. It is an amendment to an original agreement. Mr. Alan said that he understands that the project is complex but more time is needed to evaluate, review and understand the item in order to comment more intelligently.

**Steven Fulop**, Jersey City Councilman, said he understands NJ TRANSIT was recently petitioned by Spectra for an easement on a property that NJ TRANSIT currently owns. Councilman Fulop said the Spectra natural gas pipeline through Jersey City is one issue that the entire city, from senators and assemblymen to freeholders, councils and the Mayor, is unified in opposition against. He said that there are more than 550 organizations and public figures who have petitioned in opposition to the pipeline. Councilman Fulop said that Spectra hopes to have the pipeline active by the Fall of 2013. He stated that on behalf of Jersey City, its officials, and the Mayor he hopes that NJ TRANSIT will not expedite or move more rapidly without receiving final approval from the Federal Energy Regulatory Commission. Councilman Fulop said that Spectra does not need NJ TRANSIT's approval for the application submitted to the Federal Energy Regulatory Commission and that Spectra seeks this easement to help quicken the process.

Councilman Fulop advised that the concern is that the area of the city where the pipeline will run is a densely populated urban area close to schools that will affect the development and progress in Jersey City. Councilman Fulop hopes that NJ TRANSIT will be prudent and recognize that its mandate is similar to that of the elected officials in Jersey City, which is to protect the constituents and provide safety. The track record for pipelines similar to this give reason for concern and asked that NJ TRANSIT take a look at what happened outside of San Francisco last year and what occurred in Edison in the 1990's. Councilman Fulop said that due to these concerns he hopes that NJ TRANSIT will wait until the Federal Energy Regulatory Commission issues a final approval before moving forward.

Acting Chairman Meisel asked whether Councilman Fulop's comment was due to a concern for safety. Councilman Fulop advised that it was and that the pipeline is to extend from Staten Island through Bayonne and then through three wards in Jersey City that are densely populated residential areas. He said that Spectra should consider going through the water so that the areas would not be affected. Acting Chairman Meisel asked whether Bayonne and Staten Island are objecting. Councilman Fulop replied that he did not think that the Mayor of Bayonne had objected, but that the route through Bayonne is to go through the water and that the concern for Jersey City is that the pipeline will be going through residential areas. He stated that NJ TRANSIT would be receiving a formal resolution from Jersey City regarding the request. Acting Chairman Meisel asked whether additional information would be provided and if it could include zoning details or any information that would act as back-up and be useful to the Board in reaching a decision. Councilman Fulop said that the additional information would be provided with the Resolution.

**Joseph Clift** said that he would appreciate it if the papers presented at the Board meeting be included in the online public record. He stated that the State is now including them and that it enlightens what people have to say.

Mr. Clift said that his handout is four pages and that the first two pages are related to the Northeast Corridor infrastructure. He said that the Vice Chairman and staff were instructed by the Chairman last month to figure out what needed to be done. Mr. Clift said that the third page was a statement from the Lackawanna Coalition made before the Assembly Budget Committee advocating a \$50 million increase in spending on the quarter beginning in Fiscal Year 2013. He said that the last page is an article from the Asbury Park Press speaking about the infrastructure issues raised at last month's meeting.

Mr. Clift said that the annual budget for the Northeast Corridor is based on a 50/50 deal with Amtrak where Amtrak and NJ TRANSIT would each invest \$45 million a year for repairs on the Northeast Corridor. He said that NJ TRANSIT's investment commitment dropped in Fiscal Year 2008. Mr. Clift stated that in 2006 Executive Director Warrington sought and received an approval for a six year extension where there would be a \$45 million yearly investment. He said that the record shows that there is an \$88 million deficit as of Fiscal Year 2012. Mr. Clift said that NJ TRANSIT should invest in the corridor and not just fix Newark and Trenton. He said that NJ TRANSIT should take into account what needs to be done to fix the Northeast Corridor.

**Murray Bodin** stated that this is a changing world where unexpected things happen and one has to be flexible. He said that NJ TRANSIT is changing all kinds of things electronically and that is the way that it should be. Mr. Bodin said that although he had made several comments on the size of steering wheels on buses that he learned that joy sticks work more safely than steering wheels. He stated that staff needs to understand that the world changes, that there needs to be flexibility, and that what happened yesterday may be different today. Mr. Bodin said that going forward we need to make the economy successful. He said that there is a responsibility to create an infrastructure correctly so that his grandchildren and the grandchildren of others will be able to get a good job and make a good living.

**William Ragozine**, Executive Director of Cross County Connection Transportation Management Association for southern New Jersey said that Cross County supports NJ TRANSIT, its counties and municipalities, local businesses and the general public to try alternatives such as public transportation and biking. Mr. Ragozine stated that he would leave copies of his presentation and the South Jersey Transit Guide that he brought with him. He said that many people are familiar with the solar panel on individual light poles being installed by Public Service Electric & Gas (PSE&G) and that they are not always lined up as they should be or they are sometimes blocked by plants, flowers or trees.

Mr. Ragozine stated that he would like to introduce the idea of a solar farm that can benefit the generation of alternative energy. He said that the thought is to combine the

need for alternative energy with rail beds that are open for cost effective ways to generate energy and a possible income for NJ TRANSIT. He said that if a minor change is made, the panels could develop a fence along rail lines where there are concerns for safety. Mr. Ragozine advised that the maintenance of the panels and fence would be the responsibility of the energy company and that in return there could hopefully be an economic benefit for NJ TRANSIT.

Acting Chairman Meisel asked about solar panels on land versus solar panels on trees. He stated that from the carbon point of view solar panels on land are a negative, but that there have been complaints about the unsightly appearance of the solar panels on the poles. Acting Chairman Meisel asked if the vertical ground panels would be as effective as the horizontal panels on the poles. Mr. Ragozine stated that the structure is actually angled and that the wall of panels will be kept at the same angle as the panels on the trees, but instead the panels will be strung together to make a fence.

**Jack May**, New Jersey Association of Railroad Passengers, commented on the operation of multi-unit cars. He said that his comments may not be shared with everyone else, but noted that it is shared with Metro-North, Long Island Railroad, and Southeastern Pennsylvania Transportation Authority who have ordered new multi-unit cars. Mr. May said that in December 2010 the Board approved an authorization to improve and renovate 170 electric multi-unit cars. He asked the status of that authorization, how much progress has been made, and whether there are any plans to purchase more multi-unit cars.

Acting Chairman Meisel asked that Executive Director Weinstein address the response to Mr. May 's question during his report.

**Albert Papp** said that in our lives we have to make choices and those choices are often between needs and wants. He said that NJ TRANSIT has that choice before them and specifically refers to testimony given by members of the New Jersey Association of Railroad Passengers in November and December of 2010 where the purchase of an additional 10 dual-mode locomotives and 100 multi-level cars was mentioned. Mr. Papp said that the equipment was a surplus of the current demand and future needs, but that NJ TRANSIT has chosen to make an additional acquisition of 10 dual-mode locomotives and 100 multi-level passenger cars. He said that NJ TRANSIT thinks more want than need as the current loads of passengers are more than adequately handled by the equipment.

Mr. Papp asked the Commissioner of Transportation and the Executive Director to look at the contractual obligations and find out what the cancellation penalties would be to reduce the purchasing levels of the dual-mode locomotives and multi-level cars ordered or to cancel the contract. He said that the equipment is not needed, but that the current equipment needs to be better maintained. Mr. Papp stated that the restrooms are in deplorable condition and that there is either no soap or no water.

Mr. Papp said that Mr. May asked a question about the 170 multi-unit cars and that he believes that this rehabilitation reduces the need to outlay the large amount of money for new equipment. He said that the additional dual-mode locomotives cost \$83 million and the cost for 100 bi-level cars is \$330 million which is \$413 million that NJ TRANSIT can use as an additional funding source for other needs that can accelerate the rehabilitation of the Northeast Corridor.

Mr. Papp said the Board has a fiduciary responsibility to look at the budget and assess whether the needs of the riding public are being met. Mr. Papp stated that if the public needs are not being met, the Board has to look at the choices available to NJ TRANSIT management and to make an assessment. He said that if it calls for a different direction to be taken, the Board needs to speak with management and urge them to make the change.

### **Board Member Comments**

At this time, Acting Chairman Miesel asked the Board Members if they have any comments. The Board had no comments at this time.

### **Advisory Committee Report**

Suzanne Mack of the North Jersey Transit Advisory Committee stated that during the February Board meeting Chairman Simpson asked that the advisory committee evaluate the issues of the bike policy discussed during that meeting. Ms. Mack thanked Board Member Finkle who met with the advisory committee, members of the Department of Transportation (DOT), and various bike groups throughout the tri-state region. Ms. Mack advised that the committee developed ten (10) recommendations, which will be presented to the South Jersey Transit Advisory Committee. She said that upon the conclusion of the South Jersey Transit Advisory Committee, the North Jersey Transit Advisory Committee, through its liaison, Board Member Finkle, will present the recommendations.

Ms. Mack said that on a personal note she was pleased with the quick action taken on Board Item 1204-12 Amendment No. 2 to Hudson County Local Bus Service Contract.

### **Board Capital Planning, Policy & Privatization Committee Report**

Acting Chairman Meisel said that the Capital Planning, Policy and Privatization Committee discussed the temporary operation of the No. 10 bus route, formerly operated by Trans-Hudson Express/Red & Tan Lines. He said that staff reported that Number 22 Hillside, LLC will temporarily operate the route until a request for proposal process can be completed so that the service does not suffer any disruptions and riders are not affected.

Acting Chairman Meisel stated that the committee also discussed the amendment to the Agreement for the New Bergen County Line Station at Wood-Ridge and Related

Maintenance Facility. NJ TRANSIT and Wood-Ridge Development, LLC have agreed to move the Wesmont Station platform and the original agreement needs to be modified.

### **Executive Director's Monthly Report**

Executive Director Weinstein replied to Mr. May's question regarding the renovation of the 170 electric multi-unit cars and stated that the work is currently ongoing. Mr. Weinstein advised that the work is taking place at the Meadows Maintenance Complex and will continue to do so during the next 18 months. In response to the larger issue, Executive Director Weinstein understands how people feel about the multi-unit cars and NJ TRANSIT is in the process of doing an evaluation.

Executive Director James Weinstein highlighted the following from his monthly business report.

### **Rail On-Time Performance**

Executive Director Weinstein said that NJ TRANSIT customers have clearly ranked their priorities for what they want from their public transportation system. The two top priorities are: keeping fares stable and ensuring that NJ TRANSIT customers reach their destinations on-time. Through surveys and outreach forums, NJ TRANSIT has heard from customers that these are the two single most important factors for those who use the service every single day. Executive Director Weinstein was proud to say that NJ TRANSIT has concluded the month of March with another strong on-time performance measurement of 95.4 percent for Rail, continuing the trend seen over the last several months. NJ TRANSIT boasted record and near-record figures in December, January and February for rail on-time performance (96.6 percent, 96.8 percent and 96.9 percent, respectively).

Executive Director Weinstein reported that in addition to the hard-working and dedicated men and women in the operating divisions, NJ TRANSIT can credit the calendar year 2011 overall system-wide on-time performance of 95 percent to the legacy of demanding that the NJ TRANSIT-controlled infrastructure system remain in a state-of-good-repair. It took NJ TRANSIT, with the help of the Legislature and Governors, many years to bring NJ TRANSIT's own rail and bus infrastructure back to a state-of-good-repair, after it took over the lines of the bankrupt railroads and bus systems. In addition, the capital work is ongoing and is in a planning phase around the state, which demonstrates NJ TRANSIT's dedication to maintaining a state-of-good-repair, improving and expanding service, utilizing new technologies, realizing operating efficiencies and enhancing the customer experience.

### **Bank Note Recycler (BNR) Technology**

In keeping with ongoing efforts to improve the overall customer experience, NJ TRANSIT is currently piloting a new technology in the ticket vending machines to

improve the ticket purchasing experience for customers, while also reducing cash handling costs for the agency. In January 2012, NJ TRANSIT became the first transit agency in North America to introduce Bank Note Recycler (BNR) technology in its ticket vending machines. NJ TRANSIT has been conducting a pilot program to test this technology in two ticket vending machines—one at New York Penn Station and the other at the Port Authority Bus Terminal, with a third ticket vending machine added to the pilot in February at the Exchange Place Hudson-Bergen Light Rail station.

Mr. Weinstein stated that at the “We’re Listening” forums, NJ TRANSIT heard that customers dislike receiving large amounts of one dollar coins as change. He said that bank note recyclers in ticket vending machines allow the machines to dispense change in the form of paper bills—ones, fives, tens and twenties—instead of coins. While the pilot is still being evaluated, the preliminary evaluation has found it to be very successful, particularly in terms of high customer satisfaction. In the long term, depending on the final outcome of the pilot and subject to the availability of funds, NJ TRANSIT would aim to ultimately equip the entire fleet of ticket vending machines with this technology.

### **Web Ads**

Executive Director Weinstein said NJ TRANSIT continually looks at ways to maximize its non-farebox revenue, including advertising, real estate and other commercial revenue opportunities. NJ TRANSIT is already considered a pioneer among other transit agencies and it continues to pursue new and creative ways to generate even more revenue from its assets.

Mr. Weinstein said that last month NJ TRANSIT tapped into its most valuable electronic resource, njtransit.com, and introduced advertising on its website. He stated that careful thought and much consideration was given to the style and placement of the ads to ensure that the customers would not find them intrusive or distracting. The very first ad, located at the top of the home page, features the Quik-Tik program and is sponsored by American Express. He said that this month-long ad generated \$8,000 in non-farebox revenue.

Mr. Weinstein reported that NJ TRANSIT is utilizing the Google AdSense platform for additional advertising locations on the website. This will be a gradual rollout, and NJ TRANSIT has started with active ads on 10 of its busiest pages, including the trip planner results pages, travel advisories and customer notices. Google AdSense, already being used by other transit agencies, provides this service at no cost and requires little to no interaction by NJ TRANSIT, aside from selecting the shapes of the desired ads, the associated pages, and determining whether there are specific advertisers NJ TRANSIT does not wish to include on its site.

Executive Director Weinstein advised that through Google AdSense, NJ TRANSIT will generate revenue based on people clicking and viewing the advertisements. NJ TRANSIT’s own website, njtransit.com, has approximately 42 million viewers every

year, or an average of 3.5 million visits per month. NJ TRANSIT makes more of its web pages available for Google ads and sells other dedicated space through its own business partners. NJ TRANSIT clearly expects to see additional non-farebox revenue that will help keep fares stable and ensure that the system remains in a state-of-good repair. This is a great example of thinking outside the box for revenue generation, and Executive Director Weinstein looks forward to updating the Board on future progress.

Executive Director Weinstein read an email that he received from a customer, as it is fitting with one of the five strategic areas focused on in day in and day out customer service. The email stated: To Whom This May Concern, I received an unexpected call on my cell phone on the way to work this morning. On the other end: an unbelievable conductor by the name of Jonathan Sosa, letting me know that he had my wallet! A passenger had given it to him, after finding it on the ground at Morris Plains station. I was discussing with a friend of mine over this holiday weekend how few truly good, honorable people there were left in this world... and now I've had the chance to meet one of them. I cannot tell you how incredibly thankful I am to this man. If at all possible, I hope you will recognize him in some way as he is truly one of kind. I feel so lucky New Jersey Transit takes the time to hire such remarkable individuals. Sincerely, Barri Poles. Mr. Weinstein recognized Mr. Jonathan Sosa for his professionalism, honesty and integrity.

Executive Director Weinstein presented the following Action Items for approval:

**1204-12 AMENDMENT NO. 2 TO HUDSON COUNTY LOCAL BUS SERVICE CONTRACT**

This is an amendment to the Hudson County Local Bus Service Contract, which will provide for the temporary operation of the #10 Route between points in Hudson County and the Journal Square Bus Terminal in Jersey City for a period of seven months at a total cost not to exceed \$1,925,000 plus five percent for contingencies. This service was formerly operated by Trans-Hudson Express/Red & Tan Lines. There are approximately 5,330 average weekday customers on this route and the service operates 24 hours per day, seven days per week. Consistent with the Contracting Out Policy, staff will complete a Request for Proposal (RFP) procurement process to solicit interest from other operators to provide the service for NJ TRANSIT.

James C. Finkle, Jr. moved the resolution, Regina M. Egea seconded it and it was unanimously adopted.

**1204-13 AMENDMENT NO. 2 TO THE AGREEMENT FOR A NEW BERGEN COUNTY LINE STATION AT WOOD-RIDGE AND RELATED MAINTENANCE FACILITY**

The Curtiss-Wright industrial site in Wood-Ridge, on which NJ TRANSIT owns and operates a five-acre rail maintenance facility, offers an opportunity

to transform an under-utilized 78-acre industrial property to a pedestrian-friendly neighborhood with convenient access to rail service. NJ TRANSIT, the Borough of Wood-Ridge and the municipally-designated master developer, Wood-Ridge Development, LLC have worked together to develop a plan that will provide a new, fully accessible rail station and parking facility on the Bergen County Line from which to serve a new Transit-Oriented Development mixed-use community. The new station will be known as the Wesmont Station.

Authorization is requested to take any and all actions necessary to execute Amendment No. 2 to the Agreement with Wood-Ridge Development, LLC to modify certain terms and conditions of the current Agreement and to take any and all actions to acquire an easement from Wood-Ridge Industrial, LLC necessary for construction of the Wesmont Station project.

James C. Finkle, Jr. moved the resolution, Joseph W. Mrozek seconded it and it was unanimously adopted.

Acting Chairman Meisel concluded the open session agenda items and requested a motion to enter Executive Session to discuss contract negotiations, and attorney-client, litigation, and personnel matters. A motion was made by James C. Finkle, Jr., seconded by Regina M. Egea and unanimously adopted.

Acting Chairman Meisel and all Board Members returned to open session at approximately 10:03 a.m.

### **Adjournment**

Since there were no further comments or business, Acting Chairman Meisel called for adjournment and a motion to adjourn was made by Joseph W. Mrozek, seconded by James C. Finkle, Jr. and unanimously adopted. The meeting was adjourned at approximately 10:04 a.m.

**NEW JERSEY TRANSIT CORPORATION**  
**NJ TRANSIT BUS OPERATIONS, INC.**  
**NJ TRANSIT RAIL OPERATIONS, INC.**  
**NJ TRANSIT MERCER, INC.**  
**NJ TRANSIT MORRIS, INC.**  
**REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS**

APRIL 11, 2012

**MINUTES**

**PAGE**

➤	<b>CALL TO ORDER</b>	-
➤	<b>APPROVAL OF MINUTES OF PREVIOUS MEETINGS</b>	44157
➤	<b>PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS</b>	-
➤	<b>BOARD MEMBER COMMENTS</b>	-
➤	<b>ADVISORY COMMITTEE REPORT</b>	-
➤	<b>SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT SCHEDULED REPORT JUNE 2012)</b>	-
➤	<b>BOARD COMMITTEE REPORTS</b>	-
	*Administration Committee	
	*Capital Planning, Policy & Privatization Committee	
➤	<b>EXECUTIVE DIRECTOR'S MONTHLY REPORT</b>	44158

**ACTION ITEMS**

<b>1204-12</b>	<b>AMENDMENT NO. 2 TO HUDSON COUNTY LOCAL BUS SERVICE CONTRACT</b>	<b>44172</b>
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Authorization to amend Contract No. 11-023 with Number 22 Hillside, LLC (an Academy Company) of Hoboken, New Jersey, to operate the #10 Route between points in Hudson County and the Journal Square Bus Terminal in Jersey City for a period of seven months at a total cost not to exceed \$1,925,000, plus five percent for contingencies, for a total contract authorization of \$55,086,390, subject to the availability of funds.

<b>1204-13</b>	<b>AMENDMENT NO. 2 TO THE AGREEMENT FOR A NEW BERGEN COUNTY LINE STATION AT WOOD-RIDGE AND RELATED MAINTENANCE FACILITY</b>	<b>44177</b>
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Authorization to take any and all actions necessary to execute Amendment No. 2 to the Agreement with Wood-Ridge Development, LLC of Lakewood, New Jersey, to modify certain terms and conditions of the current Agreement.

Authorization to take any and all actions necessary to acquire an easement from Wood-Ridge Industrial, LLC necessary for construction of the Wesmont Station project. No additional funding authorization is being requested.

➤ **EXECUTIVE SESSION AUTHORIZATION**

**44188**

➤ **ADJOURNMENT**

### **APPROVAL OF MINUTES**

**WHEREAS**, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors be approved by the Board; and

**WHEREAS**, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the March 14, 2012 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on March 19, 2012;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the March 14, 2012 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

(NJT Board - 04/11/2012)

Chris Christie, Governor  
Kim Guadagno, Lieutenant Governor  
James S. Simpson, Board Chairman  
James Weinstein, Executive Director

44158  
**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

TO: BOARD OF DIRECTORS  
FROM: JAMES W. WEINSTEIN  
DATE: APRIL 11, 2012  
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – APRIL 2012

As you know, our customers have clearly ranked their priorities for what they want from their public transportation system. And the two top priorities offered time and time again continue to guide our efforts: keeping fares stable, and ensuring that our customers reach their destinations on time. I am proud to note that NJ TRANSIT concluded the month of March with another strong on-time performance measure of 95.4 percent for Rail, continuing the trend we've seen the last several months, when NJ TRANSIT boasted record and near-record figures for December, January and February (96.6 percent, 96.8 percent and 96.9 percent, respectively).

In addition to the hard-working and dedicated men and women within our operating divisions, NJ TRANSIT can credit a calendar year 2011 overall systemwide on-time performance of 95 percent to our legacy of demanding that the NJ TRANSIT-controlled infrastructure system remains in a state of good repair. It took NJ TRANSIT, with the help of the Legislature and Governors, many years to bring our own rail and bus infrastructure to where it is today, after NJ TRANSIT took over the lines of the bankrupt railroads and bus systems. Additionally, the capital work ongoing and in the planning phase around the system demonstrates our dedication to maintaining a state of good repair, improving and expanding service, utilizing new technologies, realizing operating efficiencies and enhancing the customer experience.

In keeping with our focus on improving the overall customer experience, we are currently piloting a new technology in our ticket vending machines to improve the ticket purchasing experience for our customers, while also reducing cash handling costs for the agency. In January, NJ TRANSIT became the first transit agency in North America to introduce BNR (Bank Note Recycler) technology in our ticket vending machines. Since then, we have been conducting a pilot program to test this technology in two TVMs—one at New York Penn Station and the other at Port Authority Bus Terminal, with a third TVM added to the pilot in February at the Exchange Place Hudson-Bergen Light Rail station.

At our "We're Listening" forums, we've repeatedly heard that customers dislike receiving large amounts of one dollar coins as change. To address this, bank note recyclers in TVMs allow the machines to dispense change in the form of paper bills instead of coins. While we are still evaluating the pilot, preliminary evaluation has found it to be very successful, particularly in terms of high customer satisfaction. In the long term, and depending on the final outcome of the pilot and subject to the availability of funds, we would aim to ultimately equip the entire fleet of TVMs with this technology.

On the revenue front, NJ TRANSIT continually looks at ways to maximize its non-farebox revenue, including advertising, real estate and other commercial revenue opportunities. Already considered a pioneer among other transit agencies, we continue to pursue new and creative ways to generate even more revenue from our assets. To that end, last month we tapped into our most valuable electronic resource—njtransit.com—and introduced advertising on our website. Careful thought and much consideration was given to the style and placement of the ads to ensure that our customers would not find them intrusive or distracting.

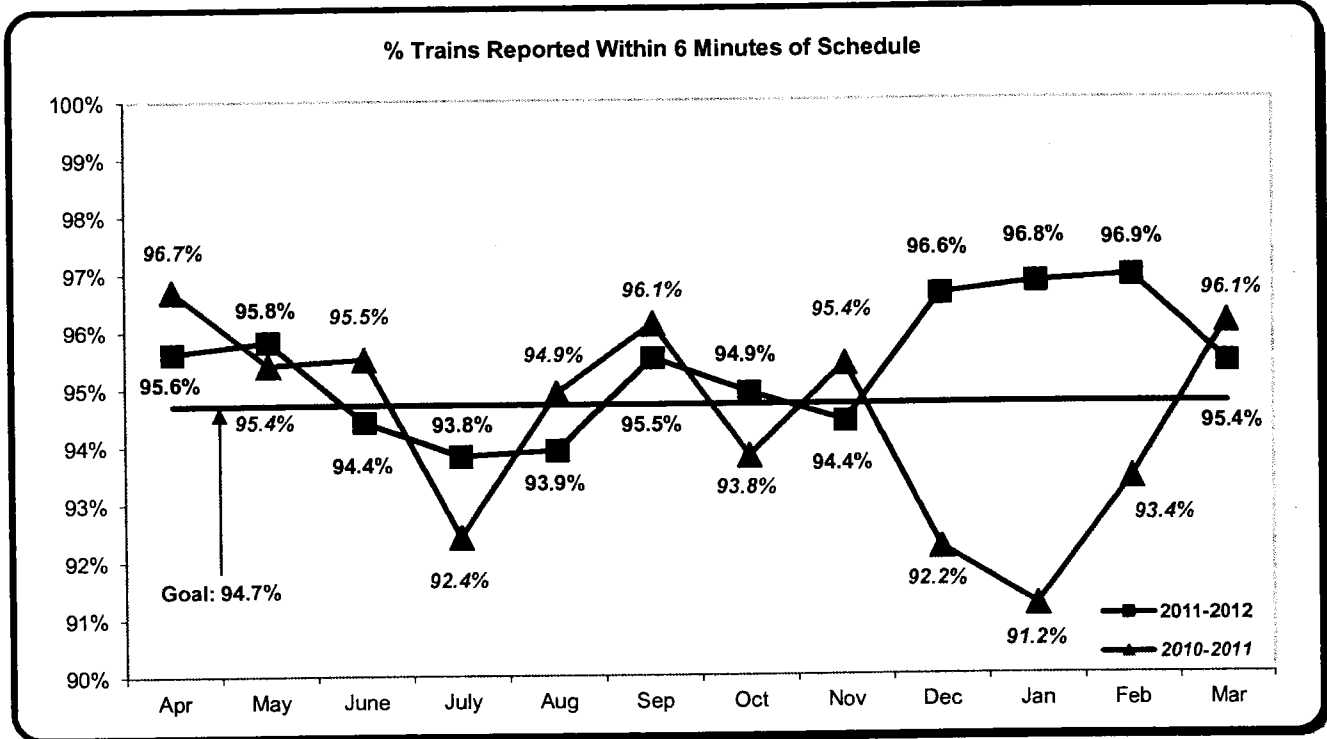
As part of this effort, we are utilizing the Google AdSense platform—a no-cost service—for a gradual rollout of advertising locations on our website, starting with active ads on 10 of our busiest pages. Through Google AdSense, which is a cost-per-click and impression model, NJ TRANSIT will generate revenue based on people clicking and viewing the advertisements. Currently, njtransit.com has approximately 42 million viewers every year, or an average of 3.5 million visits per month. As we make more of our web pages available for Google ads and sell other dedicated space through our own business partners, we clearly expect to see additional non-farebox revenue that will help keep fares stable and ensure that our system remains in a state of good repair. This is a great example of thinking outside the box for revenue generation, and I look forward to updating you on our future progress.

# **EXECUTIVE DIRECTOR'S MONTHLY REPORT APRIL 2012**

- 1. PERFORMANCE MEASURES**
- 2. DBE/MBE PROGRAM**

# **PERFORMANCE MEASURES**

# NJ TRANSIT ON-TIME PERFORMANCE RAIL APRIL 2010 - MARCH 2012



	2011	2012	# Change
<b>March Comparison</b>	96.1%	95.4%	-0.7%

	2010-2011	2011-2012	# Change
<b>12-Month Average April - March</b>	94.4%	95.3%	0.9%

### Analysis:

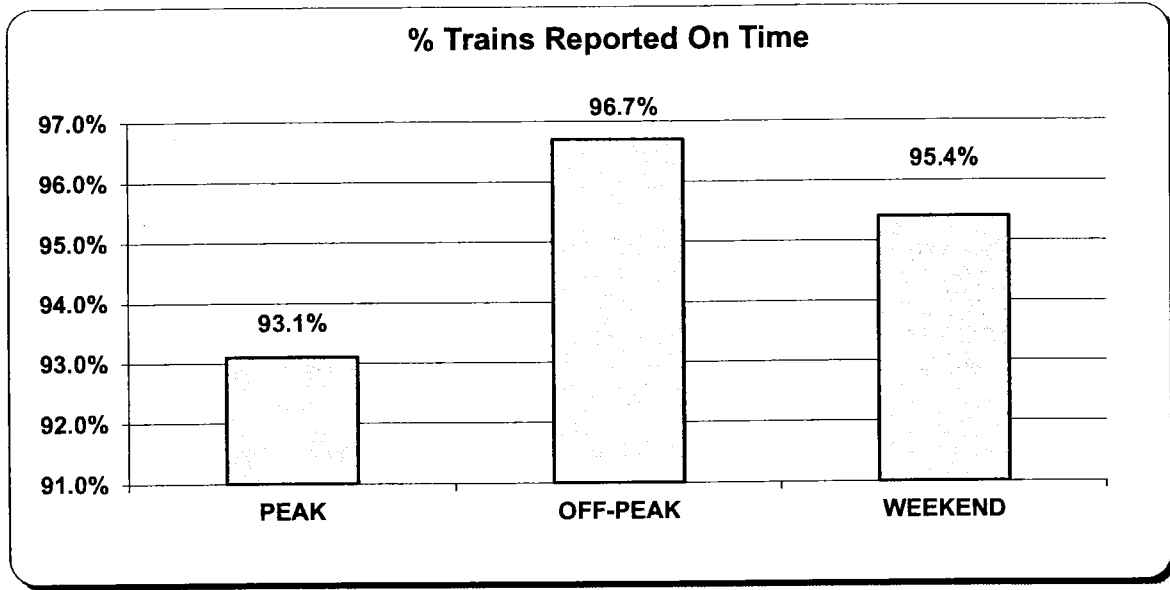
Rail On-Time Performance was 95.4% for March 2012. Of the 19,136 trains scheduled to operate, 18,265 were on time, while 871 trains (or 4.6%) were delayed. Key causes included:

- Amtrak overhead wire problem on March 6.
- Amtrak's Portal Bridge opening and NJ TRANSIT equipment problem on March 8.

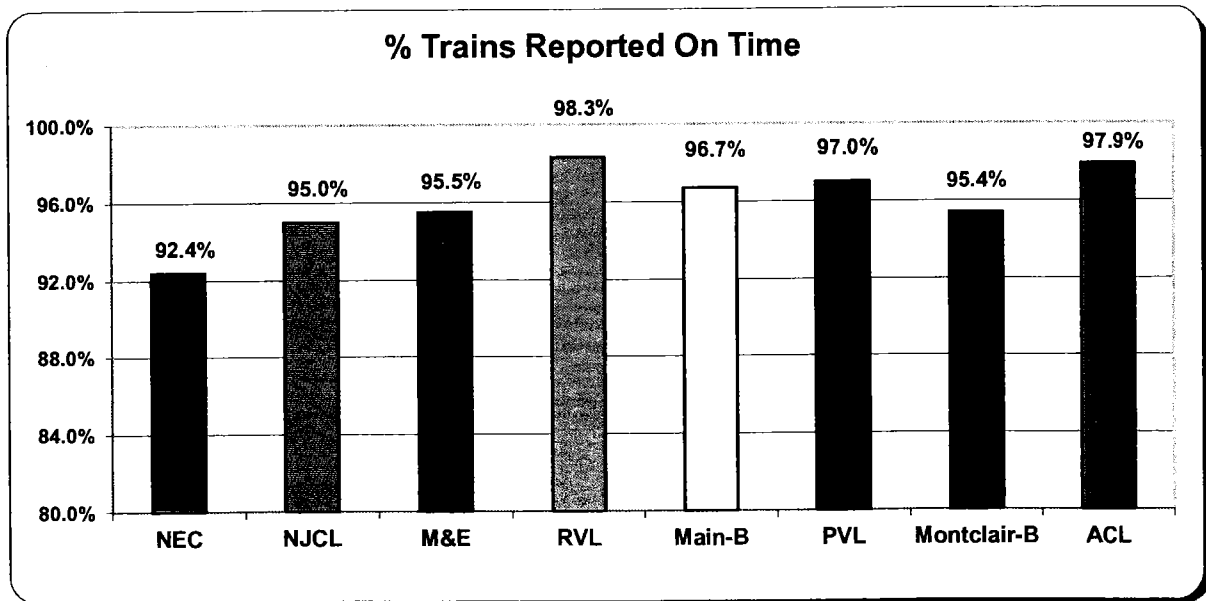
The 12-month average for Rail On-Time Performance for April 2011 - March 2012 was 95.3%.

# ON-TIME PERFORMANCE RAIL

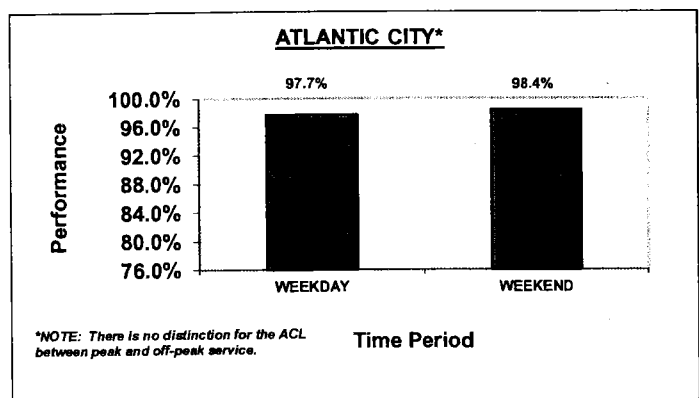
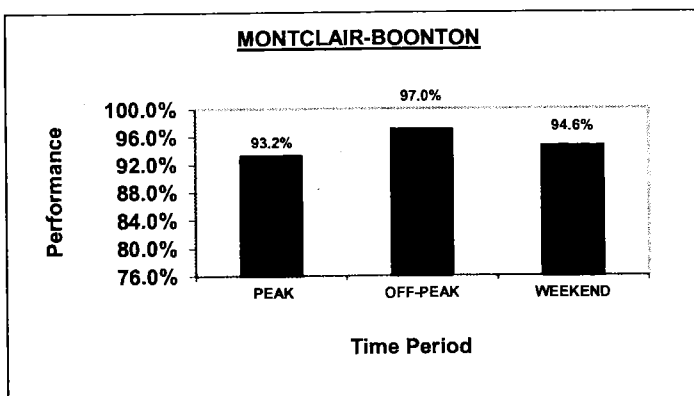
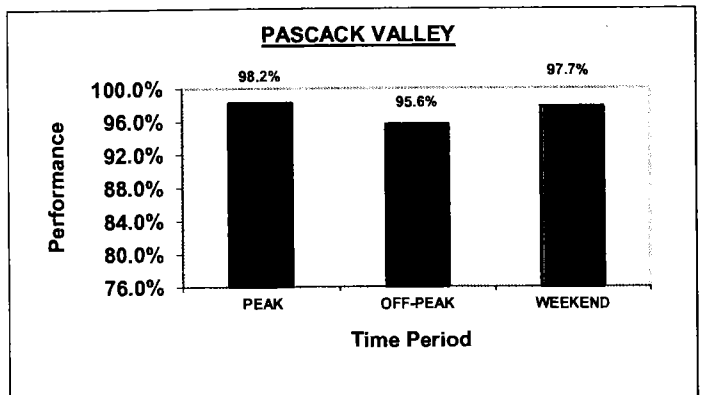
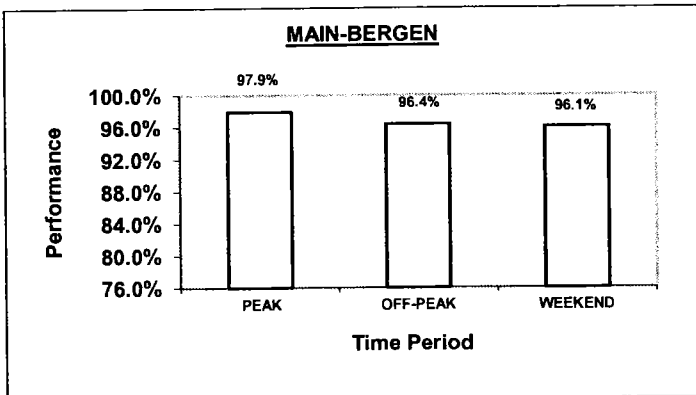
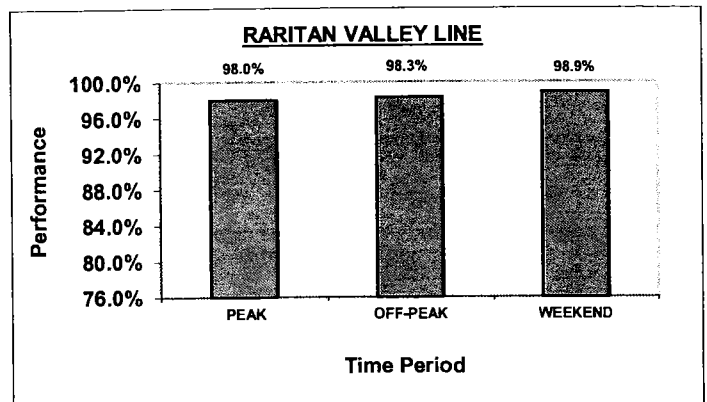
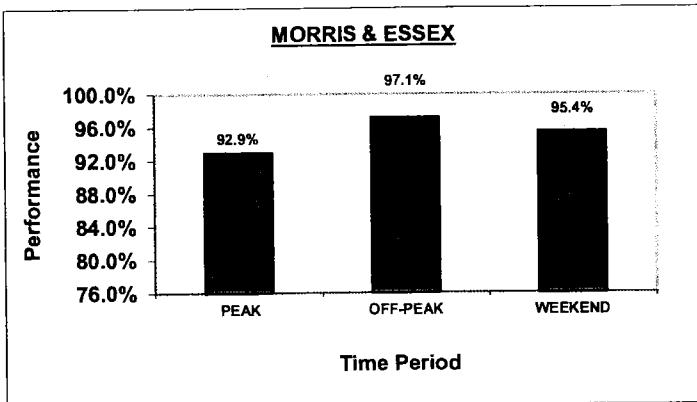
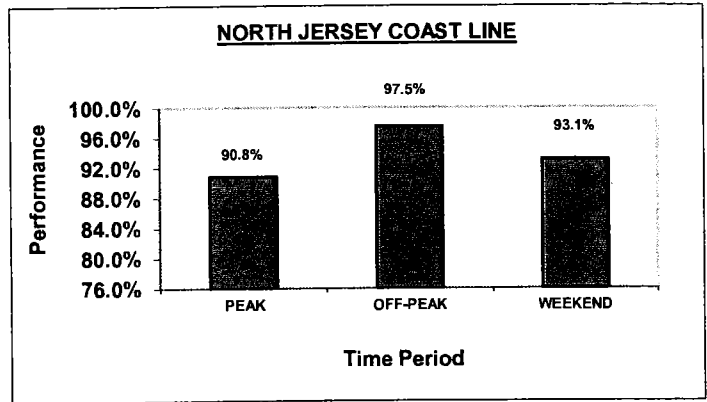
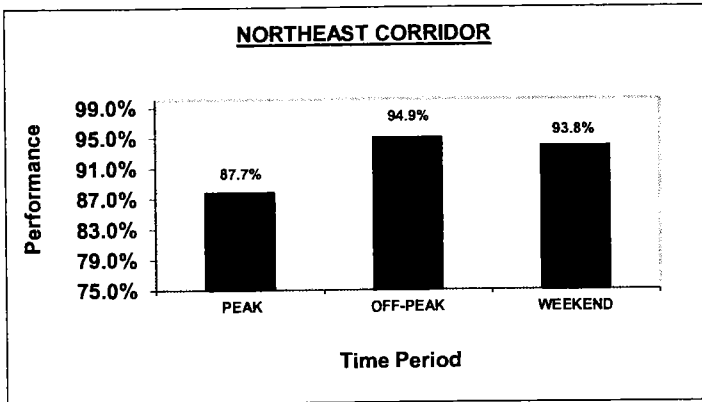
## SUMMARY BY TIME PERIOD MARCH 2012



## SUMMARY BY LINE MARCH 2012

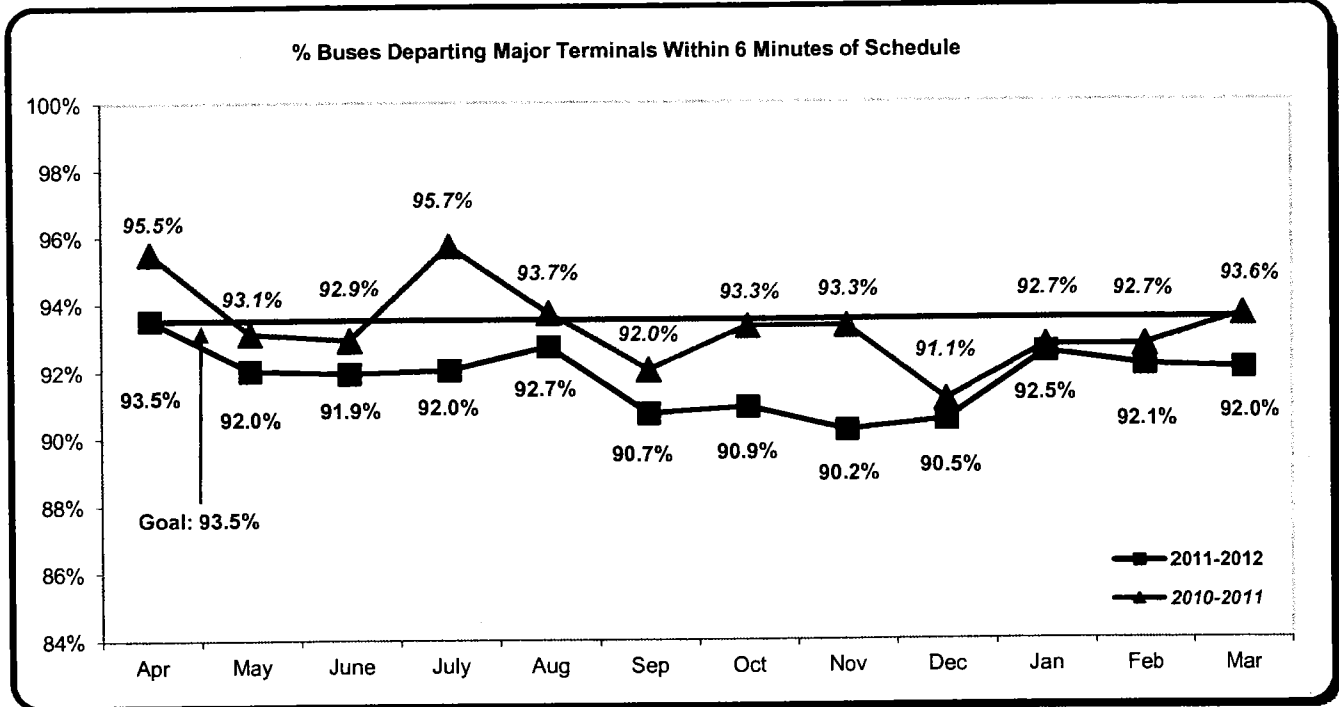


# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD MARCH 2012



\*NOTE: There is no distinction for the ACL between peak and off-peak service.

## NJ TRANSIT ON-TIME PERFORMANCE BUS APRIL 2010 - MARCH 2012



	2011	2012	% Change
<b>March Comparison</b>	93.6%	92.0%	-1.6%

	2010-2011	2011-2012	% Change
<b>12-Month Average April - March</b>	93.3%	91.8%	-1.5%

**Analysis:**

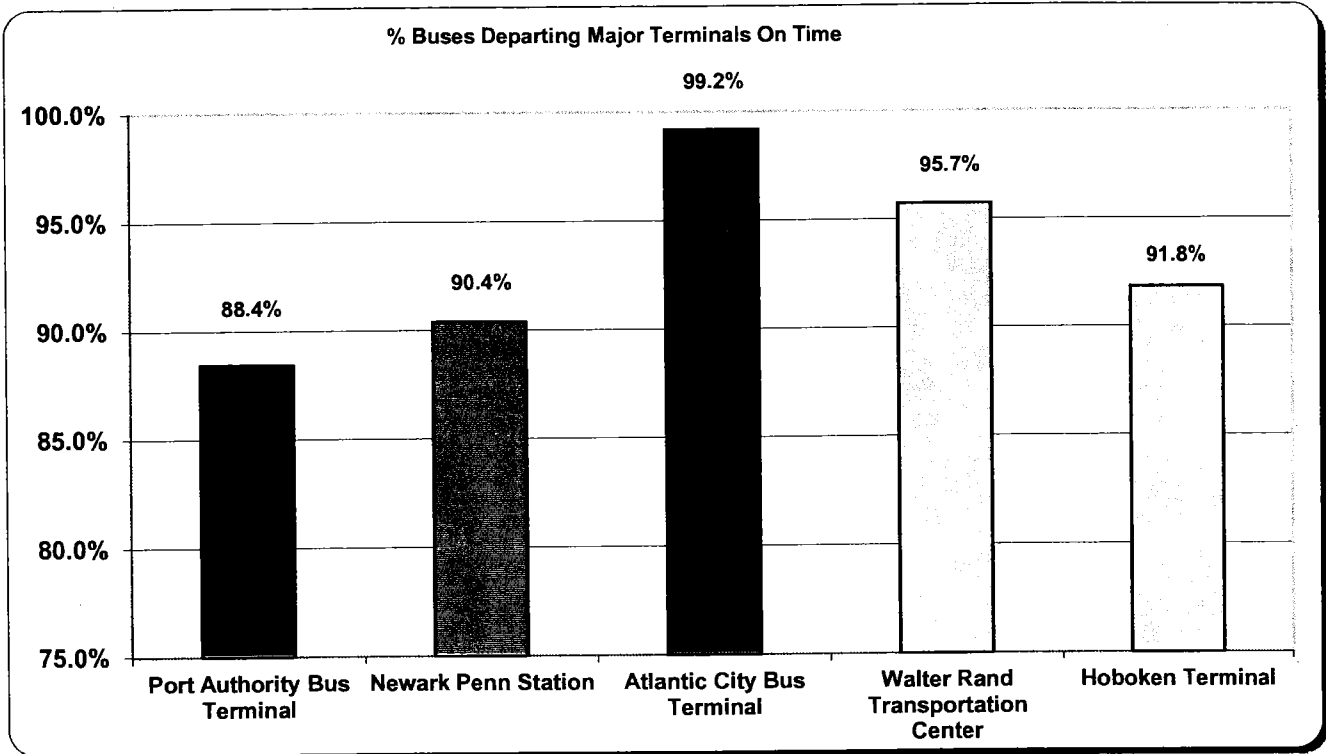
Bus On-Time Performance was 92.0% for March 2012. Of the 39,362 monitored departures, 3,144 (or 8.0%) experienced delays. Key causes included:

- Construction on an entrance ramp delaying Port Authority buses during the month of March.

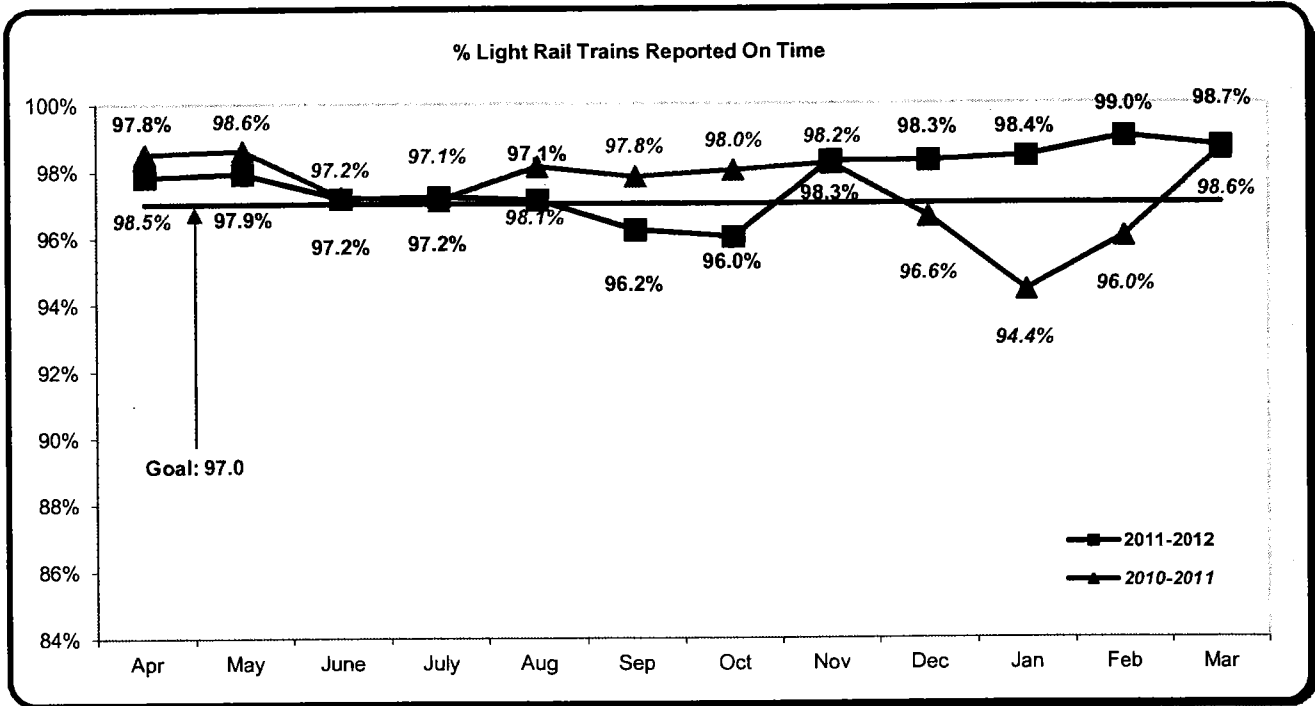
The 12-month average for Bus On-Time Performance for April 2011 - March 2012 was 91.8%.

# ON-TIME PERFORMANCE BUS

## SUMMARY BY TERMINAL MARCH 2012



## NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE APRIL 2010 - MARCH 2012



\*Note: Starting May 2007

	2011	2012	# Change
<b>March Comparison</b>	98.6%	98.7%	0.1%

	2010-2011	2011-2012	# Change
<b>12-Month Average April - March</b>	97.4%	97.7%	0.3%

**Analysis:**

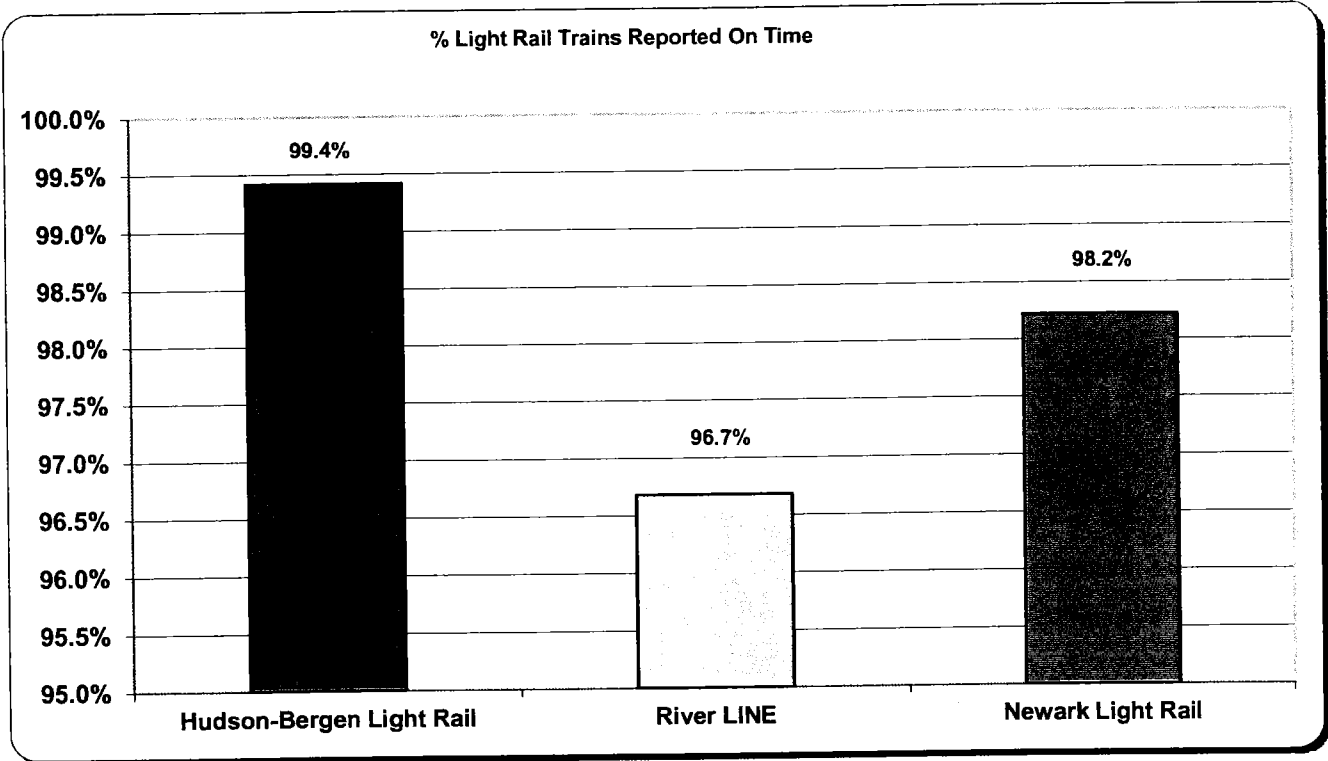
Light Rail On-Time Performance systemwide was 98.7% for the month of March 2012. Of the 26,717 scheduled trains, 352 (or 1.3%) experienced delays. Key causes included:

- Police activity at Port Imperial impacting HBLR service on March 14.
- Switch problems delaying River Line service on March 22.
- Switch problems affecting Newark Light Rail trains on March 23.

The 12-month average for Light Rail On-Time Performance for April 2011 - March 2012 was 97.7%.

# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE MARCH 2012



# **DBE/MBE PROGRAM**

**NJ TRANSIT – Office of Business Development DBE/SBE Participation**

**Federally Funded Contracts**

NJ TRANSIT awarded \$29,606,882.74 in federal funds October through March FY 12.\* Disadvantaged Business Enterprises (DBEs) received \$499,858.65 or 1.68 percent in federal-funded contract dollars during this period from either race conscious and race neutral awards.

**DBE Goal Attainment FY 2011\*\*\*\* to Date 9.87%**

Contracts awarded \$235,309,727.26

DBEs Received \$23,240,772.65

**State Funded Contracts**

NJ TRANSIT awarded \$43,621,442.53 in state-funded contract dollars July through March FY 12. \*\* Of that total, Small Business Enterprises (SBEs) received \$11,200,729.29 or 25.67 percent. Category 1 SBEs received \$92,400.00 or 0.21 percent. Category 2 SBEs received \$125,000.00 or 0.28 percent. Category 3 SBEs received \$4,923,047.40 or 11.28 percent. Category 4 SBEs received \$1,299,847.88 or 2.97 percent. Category 5 SBEs received \$3,392,434.01 or 7.77 percent. Category 6 SBEs received \$1,368,000.00 or 3.13 percent. \*\*\*

**Federal & State Contracts Total**

NJ TRANSIT awarded \$9,499,627.91 in federal and state contract dollars during April reporting period. Of that total, \$3,393,277.88 or 35.72 percent of federal and state contract dollars were won by DBEs and SBEs.

\*Federal Fiscal year 2012 beginning October 1, 2011

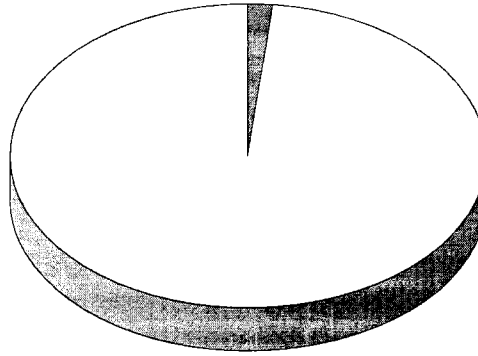
\*\*State Fiscal year beginning July 1, 2012

\*\*\*Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000, Cat 6 (construction)-Up to \$33.5 million

\*\*\*\*DBE Triennial Goal Attainment Federal Fiscal year October 1, 2010 to Date March 31, 2012

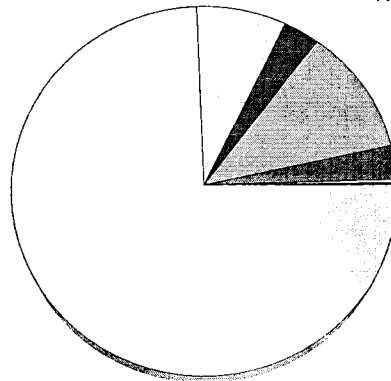
**DBE PARTICIPATION  
FEDERAL CONTRACTS  
FEDERAL FYTD (THROUGH MARCH FY12)\***

NON-DBE  
FEDERAL  
\$29,606,882.74  
98.32%



**SBE PARTICIPATION  
STATE CONTRACTS  
STATE FYTD (THROUGH MARCH FY12) \*\***

NON-SBE STATE  
\$43,621,442.53  
74.36%



SBE-5  
\$3,392,434.01  
7.77 %

SBE-4  
\$1,299,847.88  
2.97%

SBE-1  
\$92,400.00  
0.21%

SBE-6  
\$1,368,000.00  
3.13%

**Federal Fiscal Year 2012 Beginning October 1, 2011\***  
**State Fiscal Year Beginning July 1, 2012\*\***  
(This report covers contracts above \$29,000)

# **ACTION ITEMS**

**ITEM 1204-12: AMENDMENT NO. 2 TO HUDSON COUNTY LOCAL BUS SERVICE CONTRACT**

**BENEFITS**

This amendment to the Hudson County Local Bus Service Contract will provide for the temporary operation of the #10 Route from Bayonne to Journal Square Bus Terminal in Jersey City. The #10 Route is replacing the #10 Route formerly operated by Trans-Hudson Express/Red & Tan Lines, which discontinued its service on the #10 Route as of midnight Sunday, April 8, 2012. There are approximately 5,330 average weekday customers on the #10 Route. The service operates 24 hours per day, seven days per week.

Consistent with the NJ TRANSIT Board of Directors Contracting-Out Policy, it is intended that this route will be part of the Hudson County Local Bus Service Contract only until staff can complete a Request for Proposal (RFP) procurement process to solicit interest from other operators to provide the service for NJ TRANSIT. Staff believes this route can be operated most economically by seeking competitive bids for its performance.

**ACTION (Scorecard: Financial Performance, Customer Experience)**

Staff seeks authorization to amend Contract No. 11-023 with Number 22 Hillside, LLC (an Academy Company) of Hoboken, New Jersey, to operate the #10 Route between points in Hudson County and the Journal Square Bus Terminal in Jersey City for a period of seven months at a total cost not to exceed \$1,925,000, plus five percent for contingencies, for a total contract authorization of \$55,086,390, subject to the availability of funds.

**PURPOSE**

Authorization of this amendment to the existing Contract will ensure the continued operation of this route between points in Hudson County and the Journal Square Bus Terminal in Jersey City.

**BACKGROUND**

On March 2, 2012, NJ TRANSIT was notified by Trans-Hudson Express/Red & Tan Lines (a Coach USA company) of their intent to discontinue service on the #10 Route from Bayonne through Jersey City to the Journal Square Bus Terminal in Jersey City. The ramifications of the service elimination are significant. Current #10 Route riders from Bayonne and Jersey City would have no other alternative via Kennedy Boulevard, a major corridor, to travel to Journal Square in Jersey City, a major intermodal facility that provides connections to PATH and NJ TRANSIT bus service. In February 2012, the #10 Route had an average weekday ridership of approximately 5,330 customers.

The elimination of the #10 Route would also put significant strain on NJ TRANSIT Bus Operations' existing operation in terms of available capacity, operating cost and garage space. Therefore, given the level of ridership on the #10 Route, the gaps in service that would result from the service elimination, and the anticipated strain that would be placed on NJ TRANSIT's existing routes and infrastructure, it was determined that critical segments of the service would have to be retained.

### Evaluation of Alternatives

Staff evaluated several alternative service provision options.

**1. Private bus operators in the region assume operation of the route.**

Both Montgomery & West Side/A&C Bus Corporation (M&W) and Broadway Bus were approached about operating the #10 Route. Both of these carriers decided against it.

**2. Negotiate with Trans-Hudson Express/Red & Tan to continue to operate the service until staff can complete a Request for Proposal (RFP) procurement process to solicit interest from other operators to provide the service for NJ TRANSIT.**

Management at Trans-Hudson Express/Red & Tan Lines indicated that they would be willing to continue in operation on a temporary basis if NJ TRANSIT were willing to negotiate terms that improved the current financial performance of the #10 Route.

Staff believes that, given the intent to issue an RFP in April 2012 to solicit interest from other private operators to provide the existing #119 Route service in Hudson County and the close relationship with the existing #10 Route service, NJ TRANSIT would be in a better position not to negotiate any terms directly with Trans-Hudson Express/Red & Tan Lines and to seek competitive bids through the RFP process for both routes in a combined service.

**3. NJ TRANSIT Bus Operations assumes operation of the #10 Route until staff can complete a Request for Proposal (RFP) procurement process to solicit interest from other operators to provide the service for NJ TRANSIT.**

Staff explored the feasibility of NJ TRANSIT Bus Operations assuming operation of the #10 Route. The most appropriate garage from which to operate the service would be Greenville Garage in Jersey City because of its immediate proximity to the route. Greenville Garage, however, does not have adequate space to accommodate the additional buses required for the operation and therefore, routes and the associated manpower would have to be relocated among several garages to effect the most economical assignment of routes. The cost and disruption associated with these moves for what could ultimately be a relatively short time, and NJ TRANSIT Bus Operations' higher labor costs, made this alternative less than optimal.

4. **Assign the #10 Route to the Number 22 Hillside, LLC contract until staff can complete a Request for Proposal (RFP) procurement process to solicit interest from other operators to provide the service for NJ TRANSIT.**

NJ TRANSIT already has a contract with Number 22 Hillside, LLC to operate several local routes in Hudson County. NJ TRANSIT could add the #10 Route to this contract on a temporary basis until such time as an RFP procurement process can be completed. Since the contract gives NJ TRANSIT the right to terminate service upon 30 days' notice, eliminating this service from the Number 22 Hillside, LLC contract when the RFP process is completed is not an issue.

Number 22 Hillside, LLC would operate the #10 Route out of their garage in Hoboken, limiting deadhead costs. Additional fixed operating costs would also be limited since NJ TRANSIT is already paying most of the fixed operating costs as part of the Hudson County local service contract.

NJ TRANSIT's operating plan for the #10 Route may reduce the service to a bi-directional, peak period based on NJ TRANSIT ridership analysis currently being conducted. Finally, NJ TRANSIT would pay the same hourly and mileage rates for the #10 Route service as for the base contract. The recent competitive bid process for the Hudson County Service demonstrated that Number 22 Hillside, LLC's rates are lower than NJ TRANSIT Bus Operations' rates.

#### Staff Recommendation

Staff recommends that the #10 Route service be added to the Number 22 Hillside, LLC contract until such time as an RFP procurement process can be completed. In accordance with that recommendation, and to ensure the uninterrupted provision of bus service to customers on the #10 Route, the Executive Director exercised the powers accorded him by the By-Laws (Section 3. Contracting Powers) and authorized Number 22 Hillside, LLC to begin operation of the #10 Route effective Monday, April 9, 2012.

#### Funding

In May 2011, the Board authorized Contract No. 11-023 with Number 22 Hillside, LLC for the operation of four routes in the Hudson County area for an amount not to exceed \$49,273,013, plus five percent for contingencies.

In November 2011, the Board authorized amending Contract No. 11-023 with Number 22 Hillside, LLC for the continued operation of the #119 Route at an additional cost not to exceed \$1,265,215, plus five percent for contingencies. The amount of funding authorized by the Board for this contract (\$53,065,140) is not adequate to cover the additional expense of the temporary operation of the #10 Route.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

**FISCAL IMPACTS**

**Requested Authorization:** This Authorization \$ 1,925,000 + 5% contingency  
Total Authorization \$ 55,086,390

**Total Project Cost:** \$ 55,086,390

**Projected Date of Completion:** June 2018

**Anticipated Source of Funds:** Operating Budget

FY11 (5 days)	\$	59,378
FY12	\$	7,979,994
FY13	\$	8,210,879
FY14	\$	6,605,979
FY15	\$	6,876,205
FY16	\$	7,243,810
FY17	\$	7,575,267
FY18	\$	7,911,717

**DBE/SBE Goal:** 5% Category 3 SBE

**NJ Build Amount:** N/A

**Future Related Authorizations:** Contract for operation of #10 Route and #119 Route

**Impact on Subsequent Operating Budgets:** (\$ 215,000) approximate avoided costs for April 2012 through October 2012

## RESOLUTION

**WHEREAS**, Trans-Hudson Express/Red & Tan Tours has decided to discontinue service on the #10 Route between Bayonne and Journal Square Bus Terminal in Jersey City; and

**WHEREAS**, staff has determined that it is in the public interest to continue to operate service on the #10 Route from Bayonne to Journal Square Bus Terminal in Jersey City; and

**WHEREAS**, Number 22 Hillside, LLC was previously selected through a competitive procurement process to operate the Hudson County Local Bus Service; and

**WHEREAS**, staff has determined that the most expeditious and cost-effective way to ensure the continuation of this service is to amend the existing Contract with Number 22 Hillside, LLC to operate the route on a temporary basis until such time as a Request for Proposal procurement process can be completed;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is hereby authorized to amend Contract No. 11-023 with Number 22 Hillside, LLC (an Academy Company) of Hoboken, New Jersey, to operate the #10 Route between points in Hudson County and the Journal Square Bus Terminal in Jersey City for a period of seven months at a total cost not to exceed \$1,925,000, plus five percent for contingencies, for a total contract authorization of \$55,086,390, subject to the availability of funds.

**ITEM 1204-13: AMENDMENT NO. 2 TO THE AGREEMENT FOR A NEW BERGEN COUNTY LINE STATION AT WOOD-RIDGE AND RELATED MAINTENANCE FACILITY**

**BENEFITS**

The principles of smart growth and transit-oriented development call for returning inactive industrial properties, known as brownfields, to productive economic use with compact, mixed-use development. NJ TRANSIT has actively supported and encouraged this by sponsoring planning studies for redevelopment around transit facilities and targeting associated capital investments.

The Curtiss-Wright industrial site in Wood-Ridge, on which NJ TRANSIT owns and operates a five-acre rail maintenance facility, offers an opportunity to transform an underutilized 78-acre industrial property into a pedestrian-friendly neighborhood with convenient access to NJ TRANSIT rail service. To that end, NJ TRANSIT, the Borough of Wood-Ridge, and the municipally-designated master developer, Wood-Ridge Development, LLC of Lakewood, New Jersey (the Developer), have worked together to develop a plan that will provide a new, fully-accessible rail station and parking facility on NJ TRANSIT's Bergen County Line from which to serve a new Transit-Oriented Development mixed-use community. The new train station, which will be known as the Wesmont Station, is expected to generate 800 daily trips by the year 2015.

The plan further provides the opportunity for NJ TRANSIT to benefit from the Developer constructing a replacement rail maintenance facility on an NJ TRANSIT-owned site in Clifton, to which NJ TRANSIT forces would relocate, leaving the existing Wood-Ridge site free for additional redevelopment by the Developer. To that end, NJ TRANSIT and Wood-Ridge Development, LLC entered into an agreement entitled *Agreement Regarding Funding and Construction of a Railroad Station and Railroad Maintenance Facilities, and Regarding Conveyance of Real Estate* (Agreement) in June 2008 after Board approval.

**ACTION (Scorecard: Customer Service)**

Staff seeks authorization to take any and all actions necessary to execute Amendment No. 2 to the Agreement with Wood-Ridge Development, LLC of Lakewood, New Jersey, to modify certain terms and conditions of the current Agreement.

Staff also seeks authorization to take any and all actions necessary to acquire an easement from Wood-Ridge Industrial, LLC necessary for construction of the Wesmont Station project. No additional funding authorization is being requested.

## PURPOSE

This Board Item seeks approval of the terms of Amendment No. 2 to the Agreement which modifies the terms and conditions of the current Agreement. The material modifications to the Agreement being requested include the following:

- a) The parties agree to move the planned Wesmont Station platform location approximately 750 feet to the south (railroad east).
- b) NJ TRANSIT will build, operate and maintain a commuter parking lot on land owned by NJ TRANSIT currently in use by NJ TRANSIT employees at the Wood-Ridge Maintenance-of-Way Facility. The commuter parking lot was originally planned to be built entirely on land owned by the Developer.
- c) Wood-Ridge Development, LLC will construct a parking lot on land owned by Wood-Ridge Industrial, LLC, to be used by NJ TRANSIT's employees working in the Wood-Ridge Maintenance-of-Way Facility and, as a consequence, will convey an easement to NJ TRANSIT to allow its employees to park and store equipment and materials within this lot (the employee parking lot). Relocating the employee parking is necessitated by the conversion of the current employee/storage lot to the Station commuter parking lot.
- d) The parties will remove the Pedestrian Overpass from the current Easement Agreement due to the relocation of the rail station from its original proposed location. The Pedestrian Overpass will now be constructed by the Developer entirely on NJ TRANSIT property.
- e) The Developer's right to relocate the Wood-Ridge Maintenance-of-Way Facility to property owned by NJ TRANSIT in Clifton (Clifton Property) will be modified. The deadline for the Developer to decide to construct the Clifton Maintenance-of-Way Facility will be extended by one year from March 1, 2012 to March 1, 2013. However, if NJ TRANSIT finds a buyer for the Clifton Property prior to March 1, 2013, the Agency will notify the Developer who must then advise NJ TRANSIT within 30 days of such notice whether it intends to construct the Clifton Maintenance-of-Way Facility.
- f) Wood-Ridge Development, LLC will design and construct a "privacy wall" on NJ TRANSIT right-of-way to address concerns voiced by residents residing closest to the new Wesmont Station.
- g) Wood-Ridge Development, LLC will design and construct the privacy wall at its sole cost and expense.
- h) In the event that Wood-Ridge Development, LLC determines that it will not construct the Clifton Maintenance-of-Way Facility, then NJ TRANSIT agrees that the entire Federal Funding amount of \$4,325,000 may be utilized by the Developer to offset costs of the Wesmont Station Project.

## **BACKGROUND**

### Previous Board Authorizations

Board Item 0806-36 was approved on June 11, 2008 and authorized NJ TRANSIT to enter into an agreement with Wood-Ridge Development, LLC that defined the terms, including cost-sharing, by which the Developer would design and build a new train station and parking facility on the Bergen County Line, and a new rail maintenance facility adjacent to the Main Line in Clifton. Under the terms of that Agreement, NJ TRANSIT agreed to pay the Developer for certain elements of the station project at a cost not to exceed \$10,350,000. Additionally, the Agreement stated that Wood-Ridge Development, LLC had until March 1, 2010 to advise whether it would construct the Clifton Maintenance-of-Way Facility.

Board Item 1009-49 was approved on September 10, 2010 and authorized NJ TRANSIT to execute Amendment No. 1 to the subject Agreement. This Amendment provided for the conveyance of additional Federal funding to the Developer for the project in the amount of \$637,500 that had previously been earmarked, amending the total NJ TRANSIT payment to the Developer to a not-to-exceed amount of \$10,987,500. Additionally, the Amendment modified the date upon which Wood-Ridge Development, LLC must notify NJ TRANSIT of its intent to construct the Clifton Maintenance-of-Way Facility from March 1, 2010 to March 1, 2012. Developer obligated \$35,000 a year to offset NJ TRANSIT's maintenance expenses on the site of the proposed Clifton Maintenance-of-Way Facility.

### Scope of Work – New Wesmont Station

The scope of work for the Wesmont Station Project includes the construction of a fully-accessible, center-island high-level platform. The platform will initially be 285 feet in length, but can be extended to 710 feet in the future if needed to meet operational demands. Access to the platform will be via a pedestrian overpass that connects the platform to a sidewalk which provides direct, walkway access to a nearby 215-space parking lot. Elevators and stairs will be utilized to convey customers between the parking lot, sidewalk and the platform via the pedestrian overpass. The design will incorporate station components, including the lighting, landscaping, public address, closed-circuit television, and static and dynamic signage systems. The design will accommodate a future connection to the platform from the other side of the railroad right-of-way which is bordered by the Town of Wallington.

Constructing the center-island platform will require the realignment of one of the two existing tracks for a distance of approximately 2,150 feet. This will require the construction of a new railroad embankment and a drainage system of equal length. Additional trackwork modifications include the installation of a new turnout and the removal of one existing crossover.

NJ TRANSIT will be responsible for the maintenance of the Wesmont Station.

Scope of Work – Privacy Wall

Wesmont Station was originally contemplated to be built on a curved portion of the Bergen County Line. Due to safety concerns, decisions were made by NJ TRANSIT to relocate the station to a straight (or tangent) portion of track, the result of which placed the station closer to a nearby residential neighborhood. To address some of the concerns voiced by the local residents, Wood-Ridge Development, LLC will also construct a large “privacy wall” on the right-of-way line. Dimensionally, the privacy wall may measure approximately 500 feet in length by approximately 20 to 25 feet in height. Wood-Ridge Development, LLC will design and construct the privacy wall at its sole cost and expense.

Scope of Work – Parking Lots and Privacy Wall

A commuter parking lot of 215 spaces proximate to the new station will be built on a portion of the Wood-Ridge Maintenance-of-Way Facility property (the Commuter Parking Lot). The Commuter Parking Lot will be constructed, maintained and operated by NJ TRANSIT at its sole cost and expense. NJ TRANSIT will receive all revenues from the operation of the Commuter Parking Lot.

The paved area where the Commuter Parking Lot is to be built is currently used for employee parking and to store railroad equipment and materials. Wood-Ridge Development, LLC will build a new parking lot on land that is owned by a related entity, Wood-Ridge Industrial, LLC, in order to facilitate employee parking as well as equipment and material storage (the Employee Parking Lot). Wood-Ridge Development, LLC will design and construct the Employee Parking Lot as a Wesmont Station Project cost. Wood-Ridge Industrial, LLC will be required to provide an easement to NJ TRANSIT to allow for the Agency’s employee vehicles, equipment and materials to be parked and/or stored on this land and for access to and from this property.

Scope of Work – Clifton Maintenance-of-Way Facility

Under the terms of the Agreement executed on August 6, 2008, the Developer has the option to relocate the Wood-Ridge Maintenance-of-Way (MOW) Facility to property owned by NJ TRANSIT in Clifton (Clifton Property). Should the Developer exercise its option, it will construct a new rail maintenance of way facility at its sole cost and expense and is responsible for securing all permits and approvals for the Clifton Maintenance-of-Way Facility. The MOW facility will be approximately 97,000 sf in size and, will include a small rail yard consisting of 4 to 5 tracks for rail car storage. NJ TRANSIT Rail forces will connect the facility to the Main Line and construct associated equipment storage tracks on the existing right-of-way.

Project Funding

Under the terms of the Agreement executed on August 6, 2008, NJ TRANSIT and Wood-Ridge Development, LLC agreed to apportion the costs of the Westmont Station project.

As originally planned, federal funding in the amount of \$3.05 million was made available for this project through the Bergen Intermodal Bus & Bus Facility earmarks (FY2002-

FY2006). Of this amount, \$2.05 million is to be paid to Wood-Ridge Development, LLC by NJ TRANSIT (as the grant recipient) and \$1 million is to be used by NJ TRANSIT for the Agency's costs related to the project.

In 2011, an additional \$1.275 million was allocated to the project from the FY2010 earmark for Northern New Jersey Intermodal Bus and Bus Facilities. The additional funds will be shared equally by Wood-Ridge Development, LLC and NJ TRANSIT to defray costs for the project.

Wood-Ridge Development, LLC is responsible for all costs associated with the design, permitting and construction of the Wesmont Station. NJ TRANSIT is responsible for all costs associated with trackwork and flagging for both the Wesmont Station and the Clifton Maintenance-of-Way Facility; for limited environmental remediation if required at the Clifton Maintenance-of-Way site; and for relocation of its operations to the new Clifton Maintenance-of-Way Facility. NJ TRANSIT is responsible for all costs associated with construction of the commuter parking lot.

Under the terms of the Agreement, Wood-Ridge Development, LLC will design and construct the station as the first phase of work. NJ TRANSIT's contribution to such work will be a maximum of \$10,987,500. Any costs exceeding that value are the responsibility of Wood-Ridge Development, LLC.

Should the Clifton Maintenance-of-Way Facility not be constructed, Wood-Ridge Development, LLC would be responsible for the reimbursement of NJ TRANSIT costs for the Wesmont Station project, including design, permitting, force account, flagging and administrative costs, in addition to construction costs. Wood-Ridge Development, LLC is also responsible for any costs above the agreed-upon NJ TRANSIT contribution for the station. NJ TRANSIT is responsible for all cost associated with construction of the commuter parking lot.

#### Relocation Option – Wood-Ridge Maintenance-of-Way Facility

Under the terms of Amendment No. 1 to the Agreement, Wood-Ridge Development LLC must notify NJ TRANSIT of its election to construct the Clifton Maintenance-of-Way Facility by March 1, 2012. Under the terms of this Amendment No. 2, the election date would be extended by one year, from March 1, 2012 until March 1, 2013. However, notwithstanding the foregoing, if NJ TRANSIT finds a purchaser for the Clifton property prior to March 1, 2013, then NJ TRANSIT will notify Wood-Ridge Development, LLC of such event and Wood-Ridge Development, LLC would have 30 days from such notice to advise NJ TRANSIT whether it intends to construct the Clifton Maintenance-of-Way Facility.

If Wood-Ridge Development, LLC does not elect to notify NJ TRANSIT of its intention to construct the Clifton Maintenance-of-Way Facility within such 30-day time period, or it does not elect to construct the Clifton Maintenance-of-Way Facility by March 1, 2013, then its right to build the Clifton Maintenance-of-Way Facility would terminate and it would be obligated to reimburse NJ TRANSIT's costs, including design, permitting, force account, flagging and administrative costs. NJ TRANSIT would have no further obligation to convey

the Wood-Ridge Maintenance-of-Way Facility property, and the existing Wood-Ridge Maintenance-of-Way Facility would then remain at its current location at the Curtiss-Wright site. NJ TRANSIT would continue to have an easement for the Maintenance-of-Way Facility employee parking lot.

#### Letters of Credit

To guarantee its ability to repay NJ TRANSIT, Wood-Ridge Development, LLC is required to submit irrevocable Letters of Credit covering all costs the Agency incurs on the project. The value of the Letters of Credit is to be increased over time, up to a maximum value of \$12 million, so that the cumulative value of the Letters of Credit is at all times sufficient to cover NJ TRANSIT's past and anticipated future costs. Upon the Developer's decision not to build the Clifton Maintenance-of-Way Facility, NJ TRANSIT will then be able to call upon the Letter of Credit to cover its costs should the Developer be unable or unwilling to repay NJ TRANSIT.

Should Wood-Ridge Development, LLC choose to construct the Clifton Maintenance-of-Way Facility, the aforementioned Letter of Credit would endure through the full term of construction of both the Station and the new Maintenance-of-Way Facility. The value of the Letter of Credit would decline as the construction progresses.

Additionally, if Wood-Ridge Development, LLC constructs the new Maintenance-of-Way Facility on the Clifton site, it will also be required to post a Construction Completion Bond in NJ TRANSIT's name in addition to the Letter of Credit. The Bond will provide funding by which NJ TRANSIT can, in the event of default during the construction, either complete or demolish the facility.

#### Procurement of Design Consultant and Construction Contracts

Under the terms of the Agreement, NJ TRANSIT conducted the solicitation process for the consulting services design contract, up to the point of award, in order to ensure compliance with Federal Transit Administration requirements. Jacobs Engineering, Inc. was determined to be the highest-ranked proposer. A contract was executed between Jacobs Engineering, Inc. and Wood-Ridge Development, LLC on January 12, 2010.

Similarly, for the construction phase, NJ TRANSIT will conduct the solicitation process for the construction contract, up to the point of award. The construction contract will then be executed between the successful bidder and Wood-Ridge Development, LLC.

#### Principals of Wood-Ridge Development, LLC

FBE Holding LLC – Abe Fruchthandler  
Garden State Management – Rubin Schron  
Somerset Development – Ralph Zucker  
Bruce Federman  
Joshua Safrin

Principals of Wood-Ridge Industrial, LLC

FBE Holding LLC – Abe Fruchthandler  
Garden State Management – Rubin Schron  
Lakewood Development, LLC – Garden State Management (Rubin Schron), Ralph Zucker  
Somerset Development – Ralph Zucker  
Bruce Federman  
Joshua Safrin

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

**FISCAL IMPACTS**

**Requested Authorization:** Authorization to amend the agreement with Wood-Ridge Development, LLC of Lakewood, New Jersey under Amendment No. 2

**Total Project Cost:** \$ 38,000,000 (New Wesmont Station with Clifton Maintenance-of-Way Facility)

\$ 11,800,000 (New Wesmont Station without Clifton Maintenance-of-Way Facility)

**Projected Date of Completion:** Fall 2013/Winter 2014 (New Station only)

**Anticipated Source of Funds:**

With Clifton Maintenance-of-Way Facility

Developer Contribution	\$ 15,612,500	+ all overruns
Federal	\$ 4,325,000	
NJ TRANSIT State contribution	\$ 11,562,500	
NJ TRANSIT In-kind contribution	<u>\$ 6,500,000</u>	(land)
Total	\$ 38,000,000	

Without Clifton Maintenance-of-Way Facility

Developer Contribution	\$ 6,475,000	+ all overruns
Federal	\$ 4,325,000	
NJ TRANSIT State contribution	\$ 1,000,000	
NJ TRANSIT In-kind contribution	<u>\$ 0</u>	
Total	\$ 11,800,000	

**DBE/SBE Goal:** 20% DBE (Design Phase)  
TBD (Construction Phase)

**NJ Build Amount:** None

**Related/Future Authorizations:** None

<b>Impacts on Subsequent Operating Budgets:</b>	Annual Station Maintenance	(\$ 150,000)
	Annual Farebox Revenue	\$ 600,000
	Annual Parking Lot Revenue	\$ 100,000
	Annual Parking Lot Maintenance	<u>(\$ 40,000)</u>
	Annual Net Revenue	\$ 510,000

## RESOLUTION

**WHEREAS**, the Borough of Wood-Ridge has approved plans for the redevelopment of the former Curtiss-Wright industrial plant which includes a proposed train station and parking facility on NJ TRANSIT's Bergen County Line (hereafter the Wesmont Station Project); and

**WHEREAS**, NJ TRANSIT currently operates the Wood-Ridge Maintenance-of-Way Facility on portions of this property; and

**WHEREAS**, in 2008 NJ TRANSIT and Wood-Ridge Development, LLC entered into an Agreement for the design and construction of the proposed Wesmont Station and parking facility and for the relocation of the Wood-Ridge Maintenance-of-Way Facility to Clifton; and

**WHEREAS**, the Agreement was amended in September 2010 by Amendment No. 1 which modified certain terms and conditions of the Agreement; and

**WHEREAS**, the New Jersey Public Transportation Act of 1976, P.L. 1979, c. 150, authorizes NJ TRANSIT to lease, purchase and sell or dispose of, on terms which NJ TRANSIT may prescribe, real and personal property; and

**WHEREAS**, due to safety considerations, NJ TRANSIT and Wood-Ridge Development, LLC have agreed to move the Wesmont Station platform 750 feet south (railroad east) of the original proposed location to mitigate those safety concerns; and

**WHEREAS**, as a result of moving the Wesmont Station platform, the design, schedule and property agreements need to be modified.

**NOW, THEREFORE, BE IT RESOLVED**, that the Chairman or Executive Director is authorized to take any and all actions necessary to execute Amendment No. 2 to the Agreement with Wood-Ridge Development, LLC of Lakewood, New Jersey, to modify certain terms and conditions of the current Agreement consistent with this Board Item.

**BE IT FURTHER RESOLVED**, that the Chairman or Executive Director is authorized to take any and all actions necessary to acquire an easement from Wood-Ridge Industrial, LLC necessary for construction of the Wesmont Station project. No additional funding authorization is being requested.

WESMONT STATION AND CLIFTON MAINTENANCE-OF-WAY FACILITY – AREA MAP



**EXECUTIVE SESSION AUTHORIZATION**

**BE IT HEREBY RESOLVED** pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss contract negotiations and attorney-client, litigation and personnel matters; and

**BE IT FURTHER RESOLVED** that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.