

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

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

June 26, 2013

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the special telephone meeting of the New Jersey Transit Corporation, held on Tuesday, June 25, 2013.

Sincerely,

Original Signed By

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 Special Telephone Board of Directors' meeting of the New Jersey Transit Corporation held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Tuesday, June 25, 2013.

**Attending:**

James S. Simpson, Chairman  
Bruce Meisel, Vice Chairman  
Regina M. Egea, Governor's Representative

**By Telephone:**

Robert Romano, Treasurer's Representative  
Myron P. Shevell, Board Member  
James C. Finkle, Jr., Board Member  
Raymond W. Greaves, 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  
Christopher Trucillo, Chief of Police  
Kathleen M. Sharman, Chief Financial Officer & Treasurer  
Linda Mosch, Acting Assistant Executive Director, Capital Planning & Programs  
Alma Scott-Buczak, Assistant Executive Director, Human Resources  
Leotis Sanders, Vice President Civil Rights & Diversity Programs  
Carlos Ramirez, Assistant Executive Director, Corporate Affairs  
Warren Hersh, Auditor General  
Kenneth Worton, Deputy Attorney General  
Alvin R. Little, Assistant Attorney General

Acting Board Secretary Joyce Zuczek conducted a roll call of Board Members participating by telephone.

Chairman James S. Simpson convened the Open Session at 1:02 pm in accordance with the Open Public Meetings Act.

There were seven public comments on the agenda item.

**Jack May** said he is the Vice President of the New Jersey Association of Railroad Passengers (NJ-ARP). He said he was informed last week that NJ TRANSIT was holding a Special Board Meeting to discuss and vote on "property interest transfers" between it and Princeton University. Mr. May said the first thing that came to mind was why was this so important and urgent that it could not wait for the next regularly scheduled board meeting on July 11, 2013, where it could be discussed publicly in front of the press and the usual attendees. He said this supporting documentation on NJ TRANSIT's website does not seem to indicate why this is so urgent, so he asked for an answer to his question "why is this so urgent that it could not wait until July 11, 2013?"

Mr. May said the agenda indicates that this issue may be discussed in executive session. He asked why this cannot be discussed with total public disclosure. He said if it is going to be in executive session, is there something that the Board Members want to hide from the

public, like the amount of money NJ TRANSIT is to be paid for this valuable land? Mr. May asked if this would be discussed in executive session.

Mr. May said in the Benefits section of the agenda item, there is a side remark that says, "the University also intends to relocate the existing Dinky station approximately 460 feet southeast of the current station to facilitate construction of the project". That phrase "facilitate construction" leaves the impression that the station will be moved for only the construction period, which everyone knows is patently false and misleading. Mr. May said it would be permanent.

Mr. May said the Benefits section also presents a list of all the good things that NJ TRANSIT would like the public to believe about the results of the project but conveniently does not mention any downside, totally not acknowledging the complaints of the Dinky riders, existing commuters and the Save The Dinky Organization. Mr. May said the Board knows about their complaints, specifically that the relocation of the station will increase the amount of time and distance pedestrians will have to walk from downtown Princeton to reach the new station. It will create major inconvenience for passengers, which will inevitably result in a lower number of riders.

Mr. May said the inconvenience is so great that NJ TRANSIT has indicated it will create a shuttle bus to bring passengers to the station and take them back to Nassau Street. He is sure these riders, who already transfer to other trains at Princeton Junction, will really enjoy a second transfer, getting on and off buses. Mr. May suspects many will say why not run the buses all the way to the Junction, which he is concerned that is exactly what NJ TRANSIT and Princeton University want, to sabotage the Dinky and get rid of it forever.

Mr. May said the New Jersey Association of Railroad Passengers exists to encourage the use of efficient rail transportation and as a result of this proposed degradation of service and abandonment of facilities, has filed a petition with the federal Surface Transportation Board to, in effect, prevent abandonment of the inner part of the railroad without going through due process. Mr. May said that is holding hearings and weighing the effects of the relocation and abandonment, especially with regard to public necessity and convenience. Mr. May asked NJ TRANSIT and Princeton University to cease and desist from making any physical changes to the rail line until the Surface Transportation Board makes a ruling and all litigation is settled. Mr. May provided the Board with a copy of the New Jersey Association of Railroad Passengers June 24, 2013 Press Release.

**Phil Craig** said he is a Director for the New Jersey Association of Railroad Passengers. He said the benefits listed in the agenda item do not mention any benefits for the traveling public. Mr. Craig said this will result in another 700 feet on top of his existing walk of 1,300 feet.

Mr. Craig said the history of this shows Governor Christie's Office has been deeply involved. He said two years ago, Princeton University ghost wrote a letter that was delivered to the Governor's Chief of Staff for the Governor to sign giving his support for the project. Mr. Craig said that letter was delivered to the Mayor for the Borough of Princeton urging their support of the project and the Borough denied it. Mr. Craig said there are conflicts of interest here.

Mr. Craig said they strongly see the Princeton branch as part of the national railroad system of the United States. He said it isn't just a 2.7 mile long line. Mr. Craig said it serves an interstate market to New York City, Philadelphia and points in Orange and Rockland County through connections at Princeton Junction.

Mr. Craig said the Board, Executive Director, and Executive Staff have the responsibility to protect the interests of the passengers. He said it is not to turn extremely valuable assets that belong to the people of the State of New Jersey over to a private entity known as Princeton University.

**Virginia Kerr** said she is an attorney and officer in the citizens' organization Save the Dinky, a New Jersey non-profit corporation with the mission to preserve Princeton's historic station and rail right of way to Princeton Junction. She said she represents Save the Dinky and Anne Neumann in the appeal pending in the Appellate Division titled *In Re: Princeton Railroad Station Track Removal Project*, No. A-004145-11T1. She said the appeal challenges the decision by the New Jersey Department of Environmental Protection authorizing premature abandonment of 460 feet of the transportation easement that NJ TRANSIT holds for public benefit in the property.

Ms. Kerr said when this public transportation easement is withdrawn, Princeton University plans to decimate the historic station by removing all station related infrastructure, including the canopy, high raised platform, and tracks all to the end of converting the complex for food service uses. She said she is speaking in her capacity as the attorney for the historic sites appeal.

Ms. Kerr said there is a maxim that government should turn square corners with the public. She said NJ TRANSIT is a state instrumentality and she does not believe the resolution and accompanying papers before the Board turn square corners. Ms. Kerr said among other points, the board item omits all reference to the pending historic sites appeal and pending litigation over the University's rights under the 1984 contract between NJ TRANSIT and Princeton University in which it sold the underlying property to Princeton University while retaining a broad based public transportation easement and including reference to the fact that passengers who use the Princeton branch are third party beneficiaries. She said a judge recently ruled that the passengers have standing to speak to the meaning of the 1984 contract.

Ms. Kerr said this proceeding has been captioned as a proceeding under NJ TRANSIT's power to lease, purchase, and sell property, but this isn't the garden variety property sale and it is utterly improper for the Board to authorize these transfers. She said there are several reasons for this.

Ms. Kerr said it is an historic property site and NJ TRANSIT cannot sell or abandon rights in an historic property without review and permission from the New Jersey Department of Environmental Protection. Ms. Kerr said although NJ TRANSIT received permission, the ruling is now on appeal. She said today NJ TRANSIT management is asking this Board to short circuit the legal process and destroy the subject matter of the historic sites appeal by authorizing the requested transfers.

Ms. Kerr said the requested transfers are subject to the federal Surface Transportation Board jurisdiction or, if not so subject, they require a full hearing before this Board under N.J.S.A. 27:25-8(d) because of the substantial adverse effects on passengers, not to mention the destruction of an historic passenger train station.

Ms. Kerr said given NJ TRANSIT's decision to ask the New Jersey Department of Environmental Protection to authorize a premature abandonment of the 460 feet of easement

to the historic station, jurisdiction over that portion of the requested transfers, now on appeal, rests with the Appellate Division.

Ms. Kerr said the Board should either table the requests or decline to authorize the transfers. She said the Board should respect the legal process now underway, should respect the legitimate interests of Princeton passengers and of members of the public who value the Princeton station because of its historic significance as an in-town operating station dating back to 1918. Ms. Kerr said given New Jersey's pressing need for convenient public transportation, this in-town station serves the public interest now more than ever.

**Roger Martindell** said he is a resident of Princeton and he practices law there. He said he was at the Board Meeting because the station has a long history for him, his father and grandfather who took the Dinky and many people in Princeton who are concerned about the future of that transportation system.

Mr. Martindell said the Board Item in the agenda does not discuss the declared public statements of potential investors in acquiring the Dinky as currently sited. He said the Railroad Development Corporation submitted the declaration of interest to Princeton Borough in August of 2011 and has confirmed since then a continuing interest. Mr. Martindell said that corporation runs railroads in several locations around the world.

Mr. Martindell said this is relevant to the discussion for two reasons. One is the investor's interest indicates there may be viable alternatives to the proposal that should be explored. The second is the obvious substantial disparity of the appraised value of the land. He said two different appraisers came up with two different numbers.

Mr. Martindell said he does not debate the merits of either view. He said the best test of value is what the market will bear. Mr. Martindell said the market will bear what people are willing to pay for it. He asked what has been done to contact these investors to enter in discussions with them to establish what the market might bear.

Mr. Martindell thinks this is premature. He thinks there should be more homework regarding the investor, the market value, and then there should be a hearing process after all the data is gathered.

**Eden Quainton** said he is an attorney with offices in New York and Princeton. He said he is a frequent commuter on the Dinky. He said he represents Save the Dinky, a New Jersey non-profit corporation with interest in transportation policy along NJ TRANSIT's Princeton line.

Mr. Quainton said the Special Board Meeting does not meet the Open Public Meetings Act requirement that adequate notice be given at least 48 hours before meetings by public entities. He said under the circumstances, adequate notice was not provided.

Mr. Quainton said the notice was given on June 21, 2013 which is a Friday in mid-summer for a meeting on Tuesday, June 25, 2013. He said this short notice period over a summer weekend deprived interested parties of a reasonable opportunity to organize their response to proposed actions by NJ TRANSIT.

Mr. Quainton said the June 21, 2013 notice references documents that are essential in understanding the proposal before the Board today and the documents were not made

publicly available until the afternoon on Monday, June 24, 2013, less than 24 hours before the meeting. He said the maps included in the June 24, 2013 documents were illegible so for all practical purposes the maps were not effectively transmitted.

Mr. Quainton said the proposed action falls under the Public Transportation Act of 1979 which provides the abandonment of a rail service, as contemplated in the board resolution, requires a public hearing with 15 days advance notice. He said no such hearing has yet been scheduled.

Mr. Quainton said there are four different lawsuits pending in New Jersey Superior Court that have a direct impact on the proposal before the Board. He said one of these is an action to terminate the 1984 agreement between NJ TRANSIT and Princeton University relevant to the easement which is the subject of the board meeting. Mr. Quainton said this action recently withstood summary judgment and a trial is likely in autumn. Mr. Quainton said in light of the pending trial on the merits, precipitous action by the Board does not make sense.

Mr. Quainton said additionally a fifth proceeding was filed on June 24, 2013 with the Surface Transportation Board in Washington alleging that the abandonment of the rail line contemplated by the board resolution requires approval under 49 U.S.C. Section 10903 and that proceeding could preempt the action proposed to be taken by the Board.

Mr. Quainton said in view of all the legal actions and resulting close scrutiny the procedures by which the Board moves forward should be above reproach, the records should be very clear, and the public should be granted a fair opportunity to be heard. He thinks this can only be accomplished if the Board Meeting is rescheduled after fair and reasonable notice.

Mr. Quainton said the resolution before the Board has substantial transportation policy implications. He said the resolution is designed to facilitate an estimated \$320 million development. Mr. Quainton said by its very size and location, it will have a major and permanent impact on rail, bus, automobiles, and alternative modes of transportation in the area of the Princeton branch line. He said if the development proceeds, there will be no turning back.

Mr. Quainton said to date, interested members of the community have not had the opportunity to express their legitimate concerns. He said this is the opposite of what should occur. Mr. Quainton said NJ TRANSIT needs to develop a clear record to show its consideration of the overall transportation policy implications of the proposed resolution and it should do so before acting on the proposed resolution. Therefore, Mr. Quainton said Save the Dinky urges the Board not to adopt the resolution at this time.

**Yina Moore** said she testified at a previous meeting while she was Mayor of Princeton Borough. She said the Dinky is not only nostalgic to the community but it is a functional asset that is important to them. She said she is speaking not only as the former Mayor of Princeton but also as an alumnus of Princeton University and a former NJ TRANSIT employee who directed the railroad station development of the Newark Airport Station and the land use and development of the Hudson River Waterfront for the development of the Hudson River Line. She said she is speaking as a long time citizen.

Ms. Moore said in 1896, her grandfather started a livery business in Princeton. She said the horse and buggy livery service picked people up from the steam powered Dinky at a station that was closer to Princeton. Ms. Moore said the succession of the location has been to the

detriment of the core community for the benefit of Princeton University and at some point needs to stop or it will become a station on Route 1 and will not be walkable, accessible and will not be useful to the commuter residents of Princeton. She said the line no longer just brings coal or revelers to a Saturday football game in the fall, but it is now a functional commuter line.

Ms. Moore read a letter for the record from Jenny Crumiller, Princeton Council Member as follows. Ms. Crumiller urged the board to defer its decision on Princeton University's request to transfer and reduce the public transportation easement that currently protects access to the Princeton Branch Station. It would be improvident for the Board to act on this matter without a full public hearing and before related issues, now pending in litigation, are resolved. A last minute telephone meeting would disserve the public interest.

A board approval would incur substantial detriment to commuters and will impose particular hardships on seniors and the disabled. It is being requested because it is desirable for a private institution to have its property free of railroad tracks and a station, presumably a situation common to most easements held by NJ TRANSIT. The University has stated, as it is readily apparent, that its campus expansion does not necessitate moving the station. The public benefits from its development accrue regardless of a denial by the Board.

The Board should be informed of the probable negative impact of an approval before making this decision. Members do not need to be told the economic and personal value of time. The requested relocation would add approximately four minutes a day to the Dinky commute, both for walkers in terms of distance and for drivers, as it adds three traffic intersections for the vast majority of drivers. The current driving time for many is less than five minutes and for most walkers, it is less than 20 minutes. The proposed station changes elevation sharply and the plan includes a challenging set of stairs. The new station will be located away from the hustle and bustle of the public street, which may discourage commuters and cause them to continue on by car to Princeton Junction and will negatively impact the Dinky.

In addition to the distance, the proposed station's parking lot creates a nightmare as it combines all the uses of a retail, "kiss and ride" drop off a parking garage access and a commuter parking lot all into one intersection and one road access.

The current station is located along a wide, curved street which accommodates multiple cars on either side pulling out of traffic to drop off passengers. It includes an additional dedicated "kiss and ride" drop off location facilitating quick in and outs from town. She urges to view the current station on the satellite view of google maps (search "Princeton railroad station") where it is shown that it is optimized to minimize travel time for Princetonians, besides being welcoming, public and quaint in its historicity).

The proposed station by contrast compresses Dinky traffic into a small parking lot and combines it with new convenience store traffic. Its "kiss and ride" spaces are shared with shoppers. It places commuter parking a longer distance from the platform.

If Board Members familiarize themselves with the plans for the University's new campus area, it should become apparent that the existing station and tracks are compatible with the development with minor accommodation by the University. While the University has in the past given the impression that its campus expansion necessitated removing the Dinky, it now publicly admits that this is not so. A Board denial would neither preclude a beautiful arts campus nor would it deny the economic benefits to the community and the state.

The courts have recently ruled that the public has standing in regard to this matter. Given that there are several pending lawsuits regarding the Dinky, it is likely that the University has prepared a Plan B anticipating either a denial by the Board or that it will lose one of its lawsuits.

Ms. Moore said the agenda states this transfer of property interests will facilitate construction of the project but she said it is not temporary and would not facilitate or prevent the construction of the arts project.

Ms. Moore said while it may be at no cost to NJ TRANSIT, at what cost would it be to the public. She said no Princeton University facility person has ever testified that the proposed change is an enhancement.

Ms. Moore said based on her background working at NJ TRANSIT on land use and development, the issue of appraised fair market value has not been taken into account. She said land and access are integrally tied together with current fair market value.

Ms. Moore urged the Board to defer any decision on transfers of public property rights until litigation issues are resolved and then to consider the issues in a public hearing that will permit a rational and fully informed decision.

**Anne Neumann** is a plaintiff in the litigation, *Save the Dinky v. Princeton University and NJ TRANSIT*, which is pending the Chancery Division in Mercer County, Case No. MER-C-64-11.

Ms. Neumann said on June 7, 2013, Presiding Judge Paul Innes denied NJ TRANSIT's motion to dismiss the complaint. The Judge held that the Plaintiffs were indeed third-party beneficiaries of NJ TRANSIT's 1984 contract with Princeton University. The Plaintiffs could seek to enforce the 1984 contract and to demand that the terminus remain at its present location where it has been since 1917.

Ms. Neumann said the Plaintiffs are long-time users of the Princeton Branch line in Princeton, New Jersey. Ms. Neumann stated that she is disabled and uses the Princeton Branch line once a week to commute to a medical program in New York. Her husband, Walter Neumann, also a plaintiff, uses the Princeton Branch line five days a week to commute to Columbia University where he is a Professor of Mathematics. She said another Plaintiff, Pulitzer prize winning journalist, Christopher Hedges, uses the Princeton Branch line two to three times weekly to commute to his position at the *Nation Magazine* in New York.

Ms. Neumann said the lawsuit argues that the 1984 contract and its 1996 amendment do not permit the University to move the terminus of the train beyond its present location. Under the 1984 contract, the terminus was moved once in 1987. No other move is authorized.

Ms. Neumann said if the Board allows this move, they will set a precedent that the University can move the station any time, wherever it wants whenever it pleases. She said the transportation easement that was ordered by this Board in 1984 was merged into the deed for the station property. Because it is a condition in the deed, it can be altered only by an order of the Superior Court and that has not happened.

Ms. Neumann said yesterday, the National Association of Rail Passengers and the New Jersey Association of Rail Passengers filed in the federal Surface Transportation Board in Washington to seek an order blocking the University and NJ TRANSIT from abandoning the track and the service that is located within the existing easement. That proceeding, STB Docket No. FD-35745, was filed by Clark, Hill, Thorp & Reed, noted transportation law specialists.

Ms. Neumann said until these cases are resolved, the NJ TRANSIT Board should not alter or vacate the transportation easement governing the property. In particular, until the Superior Court has ruled on Princeton University's right to move the train terminus under the existing contract and until the Surface Transportation Board has ruled on whether NJ TRANSIT may abandon the track, it is improper and premature for the NJ TRANSIT Board to vacate, alter or change the existing transportation easement on this site.

Ms. Neumann said as a resident of New Jersey, she believes the transportation easement that NJ TRANSIT is going to exchange with Princeton University closer to the center of Princeton is far more valuable. She said as a resident, she objects to the transfer without compensation for residents of the State.

Ms. Neumann said that a transit easement is particularly valuable because using light rail, which she thinks will come very soon, there could be light rail to Nassau Street all the way into the center of town at a great saving of energy costs. She said there are several people already willing to buy the Dinky service as is with the idea of transforming it to light rail.

Ms. Neumann said the zoning suit alluded to in the board item forced the Princeton Planning Board to approve Princeton University's development application. She said the lawsuit she mentioned is arguing that the zoning law, which the University essentially wrote itself, is contract zoning benefitting only Princeton University.

Ms. Neumann said despite its brevity, the Princeton Station is ranked 43<sup>rd</sup> out of all stations in New Jersey. She said there are 2,000 riders each day on the Dinky. Ms. Neumann said the new station will not only be farther from Nassau Street but will be a special burden to her by being downhill.

Executive Director Weinstein presented the following Action Item for approval:

**1306-31A: PRINCETON BRANCH RAIL STATION – PROPERTY INTEREST TRANSFERS WITH PRINCETON UNIVERSITY**

This authorization will allow NJ TRANSIT to transfer certain property interests to Princeton University in exchange for other property interests and a payment for the difference in values. This transfer of property interests will facilitate construction of Princeton University's Arts and Transit Neighborhood Project at no cost to NJ TRANSIT while enhancing the customer experience at the station complex for NJ TRANSIT customers. The property transfers would result in net revenue to NJ TRANSIT based upon appraised fair market values.

Authorization is requested to take any and all actions necessary to complete these transfers as outlined in Board Resolution, Item No.1306-31A.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member James C. Finkle, Jr. seconded it and it was unanimously adopted.

Since there were no further comments or business, the Chairman called for adjournment and a motion to adjourn was made by Vice Chairman Bruce M. Meisel, seconded by Board Member Regina M. Egea and unanimously adopted.

The meeting was adjourned at approximately 1:38 p.m.

**NEW JERSEY TRANSIT CORPORATION**  
**SPECIAL TELEPHONE BOARD OF DIRECTORS' MEETING**  
**JUNE 25, 2013**

	<b>MINUTES</b>	<b>PAGE</b>
➤	<b>CALL TO ORDER</b>	-
➤	<b>PUBLIC COMMENTS ON AGENDA ITEM ONLY</b>	-

**ACTION ITEM**

<b>1306-31A:</b>	<b>PRINCETON BRANCH RAIL STATION – PROPERTY INTEREST TRANSFERS WITH PRINCETON UNIVERSITY</b>	<b>45742</b>
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Board authorization will allow NJ TRANSIT to transfer certain property interests to the University in exchange for other property interests and a payment for the difference in values. This transfer of property interests will facilitate construction of the University's Arts and Transit Neighborhood Project by the University at no cost to NJ TRANSIT while enhancing the customer experience at the station complex for NJ TRANSIT customers. The property transfers would result in net revenue to NJ TRANSIT based upon appraised fair market values.

**ACTION ITEM**

**ITEM 1306-31A: PRINCETON BRANCH RAIL STATION – PROPERTY INTEREST TRANSFERS WITH PRINCETON UNIVERSITY****BENEFITS**

Board authorization will allow NJ TRANSIT to exchange certain fee simple and easement interests proximate to the existing Princeton Branch Station (the “Dinky Station”) with Princeton University (the “University”). The University has requested these property exchanges to allow construction of its \$320 million Arts and Transit Neighborhood Project (also referred to as the “Project”). The University also intends to relocate the existing Dinky Station approximately 460 feet southeast of the current station to facilitate construction of the Project.

The University’s Arts and Transit Neighborhood Project is intended to establish new and enhanced academic, cultural and retail spaces for both the University and the local community as well as to improve the infrastructure in the area and to provide access to enhanced transportation services. In addition to construction of a new Arts Center, the University’s Project will provide a mixed-use transit hub with a new Transit Plaza.

The Transit Plaza will include: a new rail station approximately 460 feet southeast of the current station as well as stops for a community jitney, campus shuttles and New Jersey Transit buses. The University’s Project also provides for improved traffic and bus circulation to support the new station and the realignment of the existing Princeton Branch tracks. The University is developing bicycle routes, as well as bicycle rental and storage facilities that will be provided adjacent to the Transit Plaza.

The transfer of these property interests will result in a net payment to NJ TRANSIT by the University. The University would also be required to reimburse NJ TRANSIT for costs resulting from the Project.

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

NJ TRANSIT staff seeks authorization to take any and all actions necessary to: (1) sell to the University a 0.84 acre parcel in fee located within a portion of Block 10801, Lot 3 in the former Princeton Township, to be used for construction of parking for the new Dinky Station; (2) acquire from the University a 0.06 acre parcel in fee located within a portion of Block 10801, Lot 28 in the former Princeton Township, to facilitate the realignment of the Princeton Branch tracks; (3) relocate NJ TRANSIT’s existing public transportation easement now located within portions of Block 45.01, Lots 4 and 39 in the former Princeton Borough and Block 10801, Lot 27 in the former Princeton Township (consisting of approximately 2.968 acres) in exchange for a public transportation easement from the University consisting of 1.47 acres located within portions of Block 10801, Lots 3, 17-21 and 27 in the former Princeton Township; (4) continue and relocate parking covenants in relation to the location of the new Dinky Station; and (5) complete these property transactions: (a) at a net fair market value to NJ TRANSIT in the amount of \$185,000 for the difference between the values of the fee interests and (b) at a net fair market value to NJ TRANSIT in an amount between

\$88,000 and \$480,000 for the difference between the values of the easement interests as determined by a mutually agreed upon, neutral, MAI certified appraiser. Princeton University shall be required to deposit \$480,000 into escrow at the time of closing in the event the neutral appraiser has not yet determined the net fair market value of the easements.

## **PURPOSE**

Board authorization will allow NJ TRANSIT to transfer certain property interests to the University in exchange for other property interests and a payment for the difference in values. This transfer of property interests will facilitate construction of the University's Arts and Transit Neighborhood Project by the University at no cost to NJ TRANSIT while enhancing the customer experience at the station complex for NJ TRANSIT customers. The property transfers would result in net revenue to NJ TRANSIT based upon appraised fair market values.

## **BACKGROUND**

### Previous Board Authorization

Board Item No. 4642 was approved by the NJ TRANSIT Board in Executive Session on September 11, 1984. The Board authorized NJ TRANSIT to enter into an Agreement of Sale to sell to the Trustees of Princeton University 3.564 acres of property known as the New Jersey Transit Princeton Rail Station and adjacent property in the Borough and Township of Princeton (the "Rail Station Property"), upon terms and conditions set out in the Board Item. Ultimately NJ TRANSIT and the University entered into an Agreement of Sale whereby NJ TRANSIT agreed to sell the Rail Station Property to the University for \$893,700. NJ TRANSIT reserved public transportation easements including preservation of the ticket office, waiting area and crew quarters. The University agreed to maintain the railroad station, station platforms and parking lot. The University agreed to spend \$400,000 for new station improvements, platforms, and 150 commuter parking spaces. The Agreement of Sale also allowed the University to relocate the existing station and crew quarters from the northern to the southern building and relocate the terminus of the rail line under certain terms and conditions. In 1996, the University and NJ TRANSIT amended the Agreement of Sale to modify the square footage requirements for the station and crew quarters. In 1996, the station and crew quarters were relocated to the southern building, effectively extinguishing a portion of NJ TRANSIT's transportation easement and leaving NJ TRANSIT with a 2.968 acre easement.

### Current Status of University's Project

The University's site plan application was heard in public hearings before the Princeton Regional Planning Board over three nights culminating in a vote by the Regional Planning Board to approve the Preliminary and Final Site Plan application for the University's Arts and Transit Neighborhood Project on December 19, 2012. The Board

adopted a Resolution of Memorialization on December 20, 2012. Thus, the Planning Board process has been completed and the Project has been approved. The University has begun construction of the Project and anticipates completion of a new platform and Dinky Station by late Summer / early Fall of 2014.

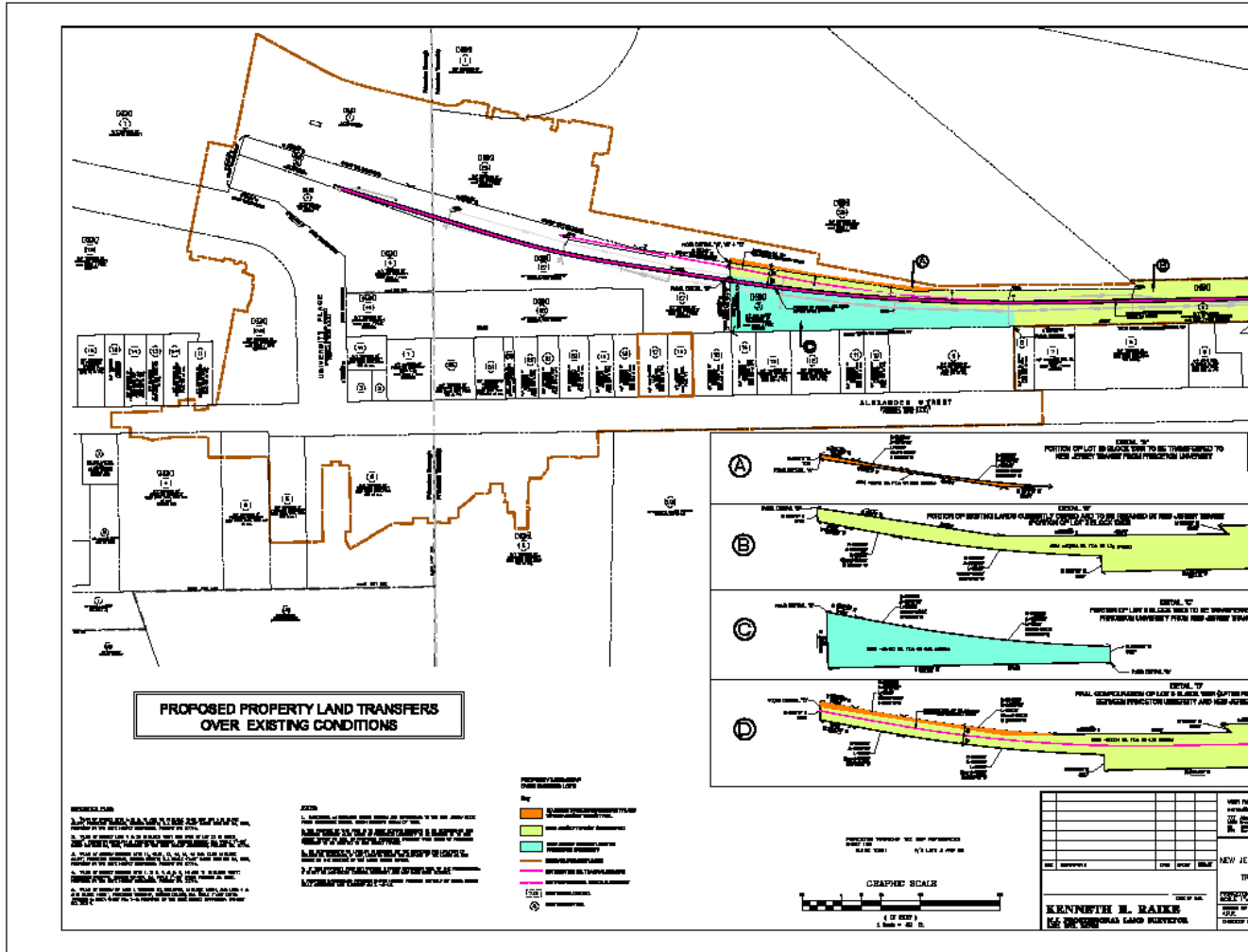
Parcel Descriptions:

Maps showing the subject properties are attached. The four separate parcels are described as follows.

1. The fee parcel to be sold by NJ TRANSIT to the University consists of a 0.84 acre irregularly shaped parcel located within the former Township of Princeton within a portion of Block 10801, Lot 3. It is situated adjacent to the west of the Princeton Branch right-of-way and is a portion of the existing parking lot. The area will be used for the construction of a portion of a new parking lot in conjunction with the University's Arts and Transit Neighborhood Project. This property is shown on the map entitled "Exhibit D Showing Land Areas to be transferred between New Jersey Transit and Princeton University". (See Exhibit 1, blue area).
2. The fee parcel being acquired by NJ TRANSIT from the University is a 0.06 acre "sliver" of land located adjacent to the east of the Princeton Branch right-of-way. It is situated within a portion of Block 10801, Lot 28 in the former Princeton Township. It will be used to realign the Princeton Branch tracks. (See Exhibit 1, orange area).
3. NJ TRANSIT's easement area which will be relocated and reduced in size consists of the right to use a 2.968 acre irregularly-shaped parcel located within portions of Block 45.01, Lots 4 and 39 in the former Princeton Borough and Block 10801, Lot 27 in the former Princeton Township for purposes related to the use, operation, maintenance inspection or alteration of passenger services related to public transportation purposes. This property is shown on the map entitled "Exhibit C Showing Existing Reserved Easement to be Extinguished and Replaced by Proposed Easements to New Jersey Transit". (See Exhibit 2, blue area). NJ TRANSIT will receive the right to use a 1.47 acre irregularly-shaped parcel located within portions of Block 10801, Lots 3, 17-21 and 27 in the former Princeton Township for purposes related to the use, operation, maintenance, inspection or alteration of passenger services related to public transportation purposes. (See Exhibit 2, green area).

Collectively, these property interests are hereafter referred to as the "Project Property Interests."

### Exhibit 1 - Fee Parcels to be Transferred between New Jersey Transit and Princeton University





**FISCAL IMPACTS**

<b>Requested Authorization:</b>	Authorization to take all actions necessary to complete transfer of the Project Property Interests between NJ TRANSIT and the University in consideration of payment by the University to NJ TRANSIT in an amount to be determined by an MAI appraiser.
<b>Total Project Cost:</b>	None
<b>Projected Date of Completion:</b>	Late Summer / Early Fall 2014
<b>Anticipated Source of Funds:</b>	N/A
<b>DBE/SBE Goal:</b>	None – transfer of property interests.
<b><i>NJ Build</i> Amount:</b>	None – transfer of property interests.
<b>Related/Future Authorizations:</b>	None known
<b>Impacts on Subsequent Operating Budgets:</b>	Additional amount of revenue for FY14 operating budget as determined by and MAI certified appraiser. Impacts to subsequent operating budgets are not anticipated.

## RESOLUTION

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

**WHEREAS**, in addition to construction of a new Arts Center, Princeton University's Arts and Transit Neighborhood Project is intended to provide a mixed-use transit hub with a new Transit Plaza, including: a new station for the Princeton Branch in Princeton ("new Dinky Station") approximately 460 feet southeast of the current station; stops for a community jitney, campus shuttles and New Jersey Transit buses; improved traffic and bus circulation to support the new station; and the realignment of the existing Princeton Branch tracks; and

**WHEREAS**, Princeton University has requested, as part of its Arts and Transit Neighborhood Project, that NJ TRANSIT agree to: (1) sell to the University a 0.84 acre parcel in fee located within a portion of Block 10801, Lot 3 in the former Princeton Township, to be used for construction of parking for the new Dinky Station; (2) acquire from the University a 0.06 acre parcel in fee located within a portion of Block 10801, Lot 28 in the former Princeton Township, to facilitate the realignment of the Princeton Branch tracks; (3) relocate NJ TRANSIT's existing public transportation easement now located within portions of Block 45.01, Lots 4 and 39 in the former Princeton Borough and Block 10801, Lot 27 in the former Princeton Township (consisting of approximately 2.968 acres) in exchange for a public transportation easement from the University consisting of 1.47 acres located within portions of Block 10801, Lots 3, 17-21 and 27 in the former Princeton Township; and (4) continue parking covenants in relation to location of new Dinky Station location; and

**WHEREAS**, NJ TRANSIT's MAI certified appraiser, J. McHale & Associates, Inc., has determined a net fair market valuation to NJ TRANSIT in the amount of \$185,000, for the difference in the fee parcel valuations and Princeton University does not dispute that valuation; and

**WHEREAS**, J. McHale & Associates, Inc. has determined a net fair market valuation to NJ TRANSIT in the amount of \$480,000 for the difference in the easement valuations but Princeton University's real estate consultant,

the Weitzman Group, has determined a net fair market valuation of \$88,000 for the difference in those same easement valuations; and

**WHEREAS**, staff has recommended that a neutral MAI certified appraiser mutually agreed upon by Princeton University's chosen appraiser, the Weitzman Group, and NJ TRANSIT's chosen appraiser, J. McHale & Associates, Inc., be selected to determine the net fair market valuation within the range set by the Parties respective appraisers (\$88,000 - \$480,000); and

**WHEREAS**, Princeton University will pay to move the Dinky Station to its new site, including the cost of a new, modern station with improved bus access;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is hereby authorized to take any and all actions necessary to: (1) sell to the University a 0.84 acre parcel in fee located within a portion of Block 10801, Lot 3 in the former Princeton Township, to be used for construction of parking for the new Dinky Station; (2) acquire from the University a 0.06 acre parcel in fee located within a portion of Block 10801, Lot 28 in the former Princeton Township, to facilitate the realignment of the Princeton Branch tracks; (3) relocate NJ TRANSIT's existing public transportation easement now located within portions of Block 45.01, Lots 4 and 39 in the former Princeton Borough and Block 10801, Lot 27 in the former Princeton Township (consisting of approximately 2.968 acres) in exchange for a public transportation easement from the University consisting of 1.47 acres located within portions of Block 10801, Lots 3, 17-21 and 27 in the former Princeton Township; (4) continue and relocate parking covenants in relation to the location of the new Dinky Station; and (5) complete these property transactions: (a) at a net fair market value to NJ TRANSIT in the amount of \$185,000 for the difference between the values of the fee interests and (b) at a net fair market value to NJ TRANSIT in an amount between \$88,000 and \$480,000 for the difference between the values of the easement interests as determined by a mutually agreed upon, neutral, MAI certified appraiser. Princeton University shall be required to deposit \$480,000 into escrow at the time of closing in the event the neutral appraiser has not yet determined the net fair market value of the easements.