

**Chris Christie**, Governor  
**Kim Guadagno**, Lieutenant Governor  
**Jamie Fox**, Board Chairman  
**Veronique Hakim**, Executive Director

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

September 14, 2015

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, September 9, 2015.

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 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, September 9, 2015.

**Present**

Jamie Fox, Chairman  
Bruce M. Meisel, Vice Chairman  
Amy Herbold, Governor's Representative  
Anthony Longo, Treasurer's Representative  
James C. Finkle, Jr., Board Member  
Flora M. Castillo, Board Member (By Telephone)  
Myron P. Shevell, Board Member (Absent)  
Raymond W. Greaves, Board Member (Non-Voting)

**Also Present**

Veronique Hakim, Executive Director  
Neil Yellin, Deputy Executive Director  
Dennis Martin, Vice President/General Manager, Bus Operations  
Robert Lavell, Vice President/General Manager, Rail Operations  
John Squitieri, Chief, Light Rail and Contract Services  
Christopher Trucillo, Chief of Police  
Warren Hersh, Auditor General  
Kathleen M. Sharman, Chief Financial Officer & Treasurer  
Michael Slack, Chief Information Officer  
Penelope Bassett, Assistant Executive Director, Communications & Customer Service  
Steve Santoro, Assistant Executive Director, Capital Planning & Programs  
Gardner Tabon, Chief, Office of System Safety  
Michael Gonnella, Deputy Attorney General  
Joyce J. Zuczek, Acting Board Secretary  
Alma Scott-Buczak, Assistant Executive Director, Succession Planning and Workforce Development

Chairman Fox convened the Open Session at 9:00 a.m. in accordance with the Open Public Meetings Act and led the Pledge of Allegiance to the Flag.

Acting Board Secretary Zuczek introduced Tom Sofranko, Office of System Safety, who provided a Public Safety Message. Acting Board Secretary Zuczek announced that adequate notice 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. was provided in accordance

with the Open Public Meetings Act, Chapter 231, P.L. 1975, and the meetings were occurring concurrently. Notices were mailed to newspapers of general distribution, forwarded to the Secretary of State, Trenton, New Jersey, and sent to each individual, agency and organization that requested such notice. In addition, notices of the meetings were posted in the main lobby of NJ TRANSIT's Headquarters in Newark, New Jersey. Acting Board Secretary Zuczek announced that the Board Meeting was being video recorded.

Chairman Fox asked for a motion to adopt the minutes of the July 15, 2015 Board meetings. A motion was made by Vice Chairman Bruce M. Meisel, seconded by Board Member Anthony Longo and unanimously adopted.

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

There were four (4) public comments. Acting Board Secretary Zuczek announced the public comments would be limited to five minutes in order to give everyone an opportunity to be heard.

**Joseph Clift**, resident of Manhattan, remarked on the issue of transparency. Mr. Clift indicated that six of the eight Board Items on today's agenda were reviewed by the CP3 Committee, which continues to be closed to the public. Mr. Clift pointed out to the Governor's Representative and the Treasurer's Representative that the Governor had promised more transparency in his Administration. He stated that if the CP3 Committee were open to the public, the Committee materials would have been available to the public at least three weeks earlier and the public would have had more opportunity to review the items as well as ask questions.

Mr. Clift noted that the two items related to Superstorm Sandy projects referenced the projects that received \$1.3 billion in federal aid. He stated that NJ TRANSIT never presented information on these projects to the public. In particular, Mr. Clift questioned the scope of the Long Slip project which is funded at \$195 million by the Federal government and \$50 million in State money. He questioned the benefit/cost evaluation for the project. Mr. Clift then referred to a handout on the authorizations for the Task Order Consultant Contracts. He stated that both Items #1509-32 and #1509-33 requested additional authorization for Task Order Consultants, approximately \$7 million and \$11 million, respectively. Mr. Clift said that the purpose of Task Order Consultants Contracts is to allow staff to handle projects that need to be addressed quickly. He acknowledged that in the immediate aftermath of Superstorm Sandy the use of Task Order Consultants was warranted. However, he questioned the continued use of these contracts and stated that the projects now being considered should be subject to the usual competitive procurement process.

Mr. Clift also commented on Item #1509-35 stating that there was insufficient information to make an informed decision as to what services the consultant would provide. He then questioned the terms of the North Bergen lease (Item #1509-36)

stating that there is not an obvious cost savings. He asked what the annual payment would have been under the prior lease and stated that it might be more cost-effective to purchase the property from the Port Authority of New York & New Jersey.

**Orrin Getz**, resident of Rockland County, discussed the issue of NJ TRANSIT's annual struggle for funding and the need for a long-term strategy. Mr. Getz stated that there is a need for a 20-year plan that clearly lays out the agency's current situation and where the agency should be in the future. He noted that projects have been started but never completed (e.g., HBLR into Bergen County) or have been planned and then left to languish (e.g., MOM, West Trenton). He stated that NJ TRANSIT should have a five-year capital plan like the MTA that clearly states what is needed in terms of funding.

Mr. Getz also noted that former Commissioner Simpson had requested a comprehensive fleet plan but that Mr. Getz had never seen one. He stated that MetroNorth has rail cars of the same vintage as NJ TRANSIT but that MetroNorth's cars are in service while NJ TRANSIT's are sidelined. Also, many of NJ TRANSIT's older equipment has been sold to other rail systems across the country for revenue service. He suggested that an evaluation is warranted as to the use of equipment.

Mr. Getz stated that NJ TRANSIT needs to establish a stronger relationship with the Rockland County Executive, Ed Day, who is a voting member of NYMTCC, the New York MPO. Mr. Getz then questioned the lease of the North Bergen facility (Item #1509-36) and suggested that the property be purchased.

**Randy Glucksman**, representing Rockland County commuters and a member of the MetroNorth Citizens Advisory Committee, stated that he was dismayed that not one Bergen County official spoke at the NJ TRANSIT public hearings regarding the service cuts proposed for the Pascack Valley Line. A Bergen County resident wrote to Mr. Glucksman detailing the inconvenience of using mass transit for weekday events in New York City as a result of the cancellation of the late night train. Mr. Glucksman then stated that he worked for the New York City Transit Authority for 25 years and that the Transit Authority regularly prepared an investment plan. He also stated that the Metropolitan Transportation Authority conducted a 20-year needs assessment. He suggested that it is time for NJ TRANSIT to prepare a long-range plan.

**David Peter Alan**, representing the Lackawanna Coalition, stated that NJ TRANSIT is cutting service to riders for fiscal reasons but seems to have funds to continue the largesse to consultants. He questioned the need for the electric fans on the NABI buses. He objected to the two items regarding adoption of regulations (Item #1509-37 and Item #1509-38) stating that both items had significant legal issues but that there was insufficient time to review the proposed regulations since the agenda materials were not available until a few days before the Board Meeting. Mr. Alan then stated that he was concerned that the proposed advertising regulations prohibited advertisements critical of NJ TRANSIT, considering them in the same vein as obscenities. He stated that criticism of NJ TRANSIT is protected speech under the First Amendment. He also

objected to the proposed appeals procedure stating that the length of time required for an appeal could result in the advertisement being rendered moot.

Mr. Alan discussed issues with the ferry regulations stating that NJ TRANSIT should not be in the business of funding private ferries.

Mr. Alan concluded by advising the Board that the Lackawanna Coalition approved a resolution at its July meeting calling for sufficient and stable funding for mass transit aside from the Transportation Trust Fund.

### **Board Customer Service Committee Report**

Board Member James C. Finkle, Jr. presented the report for the Customer Service Committee. The Customer Service Committee received a Customer Service update and a report on the Social Media Dashboard.

Additionally, the Committee received an update about the results of the 4<sup>th</sup> Quarter Customer Satisfaction Survey.

### **Board Administration Committee Report**

Board Member James C. Finkle, Jr. presented the report for the Administration Committee. The Administration Committee discussed the Advertising Standards Regulations and Ferry Capital Improvement Program Regulations board items.

Additionally, the committee was also provided a summary on DBE attainment and EEO utilization, an update on the Corporate Insurance Renewal, and an analysis of ridership trends.

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

Vice Chairman Bruce M. Meisel presented the report for the Capital Planning, Policy and Privatization Committee. The Committee discussed the NABI Fuel Economy Upgrade board item. This will authorize purchasing electric cooling fan upgrade kits that will help improve the reliability and fuel economy of NJ TRANSIT's NABI bus fleet.

The Committee also discussed the board item to continue progressing Phase I of the Hoboken Long Slip Fill and Rail Enhancement Project. Additionally, the Committee discussed the Environmental Permitting and Documentation board item for support related to National Environmental Policy Act (NEPA) documentation, environmental permitting, and development of the Coastal Storm Surge Emergency Warning System.

The Committee also reviewed the three real estate board items listed in the agenda.

Acting Board Secretary Zuczek stated that Suzanne Mack was delayed. Vice Chairman Meisel took the opportunity to discuss the recent attention by public officials and the media on the issue of the Hudson River rail tunnels. Mr. Meisel stated that he was gratified to know that the concerns about the continued operation of the existing Amtrak tunnels had raised to the level of US Senator Charles Schumer of New York and US Senator Cory Booker of New Jersey. Mr. Meisel noted that the cost of the project is now estimated at \$20 billion as opposed to the ARC estimate of \$8 billion, and that the criticality of the tunnels warranted an expanded role of the Federal Government in funding the project.

Mr. Meisel stated that it is inconceivable that the entire United States does not understand the ramifications should the tunnels not be in service. These tunnels impact the economies of the megalopolis stretching from Boston to Washington, DC and even further south. Construction of additional trans-Hudson rail capacity is one of the most important projects in the country, and should be considered as important as major roadway projects such as the "Big Dig" in Boston.

Mr. Meisel added that Amtrak also has to be funded as it serves a vital function particularly in the Northeast. NJ TRANSIT is only a component of the transportation infrastructure in that Northeast/Mid-Atlantic megalopolis. The roadways in this area cannot accommodate the increase vehicular traffic should the railway system not be functional and the density of the region does not afford the opportunity to expand the roadway system to handle the increased traffic. There is an urgency to getting legislative officials to understand that it is past time for this tunnel project to be constructed. Superstorm Sandy and its aftermath have exacerbated the schedule. New Jersey is a commuter state and its economy will suffer under the present conditions. The economic vitality of the region is at stake.

### **Advisory Committee Report**

Acting Board Secretary noted that Suzanne Mack had arrived and introduced her to present the Advisory Committee Report.

Ms. Mack reported that although both the North Jersey and South Jersey Advisory Committees had been on summer hiatus, the members had communicated throughout that period. She stated that the Committees hope to be more involved over the coming months in assisting with the development of a strategic plan. Ms. Mack thanked Board Member Jamie Finkle for getting the Advisory Committees involved in the Port Authority Bus Terminal operation issue. The Committee toured the Port Authority Bus Terminal in order to understand the problems with the operation. She stated that the gate changes implemented this week will make it easier for NJ TRANSIT's bus commuters. She also said that the Committees were happy that the issues of bus commuters were receiving attention. Ms. Mack closed by stating that she hoped the Committees would continue to be involved in issues affecting NJ TRANSIT's customers.

**Executive Director's Monthly Report**

Executive Director Hakim said it has always been a source of great pride for her to be able to share success stories with the Board of Directors. On September 8, 2015, were the first commutes into and out of the Port Authority Bus Terminal in New York with a new gate change reconfiguration in place. As part of the Port Authority's quality commute initiative, the gate assignments were reorganized in an effort to alleviate some of the traffic tie ups in the station, making it easier for customers to find their specific carrier, improve flow within the terminal and mitigate customer congestion on platforms.

Executive Director Hakim thanked the Bus Division and the Customer Service Department for an extensive outreach plan. The Port Authority Bus Terminal was flooded with Ambassadors providing information to customers and answering their questions directly. NJ TRANSIT's website as well as the Port Authority's website, also contained detailed information about the gate changes as well.

Executive Director Hakim said while some confusion was expected at the start, on the whole the effort worked extremely well and expressed kudos to Dennis Martin, Anthony Grieco and their staff for a plan well executed.

Executive Director Hakim said another successful NJ TRANSIT effort took place last month at Monmouth Park in support of the Haskell Invitational where American Pharaoh made history. Led by the Rail Operations Division, the NJ TRANSIT Police Department, the NJ TRANSIT Police Department's Office of Emergency Management, Customer Service and the Bus Division DIN Crew, NJ TRANSIT implemented a comprehensive plan that safely and successfully moved thousands of people to and from Monmouth Park. Additional train service was provided, construction was performed on the platform area to provide additional passenger capacity at the station, an extensive queuing operation was established and thousands of bottles of water were distributed to customers. The event went off without a hitch and NJ TRANSIT landed in the Winner's Circle.

Executive Director Hakim said NJ TRANSIT is now deeply engaged in preparations for the Papal Visit at the end of September. The NJ TRANSIT Police Department has managed a carefully coordinated and comprehensive planning process leading up to these events and each and every business line is invested in its success. NJ TRANSIT is prepared to meet the needs not only of the throngs of people expected to utilize the system, but to also manage the commutes of existing customers.

In addition it will be United Nations General Assembly Week, and there are two football games at the Meadowlands, Yankees games in the Bronx and significant concerts in Camden and New York City. NJ TRANSIT has made it clear in all outreach during press conferences, as well as on the website, in newspaper ads and via social media that this will not be a regular week of travel on NJ TRANSIT. Special ticketing will be

needed to travel on the Atlantic City Rail Line and the RiverLINE. While bus service will be enhanced, it will be significantly impacted in South Jersey, particularly into and out of Camden. Access Link will cease operation after 4:00 p.m. on Friday. Executive Director Hakim said it may sound counterintuitive for a Transit executive to advocate, but if people do not have to be on the system that week, they should take advantage of a staycation and return to NJ TRANSIT on Tuesday morning.

As travel returns to normal following Pope Francis' visit, customers will be able to enjoy the new mobile app and the expansion of the existing MyTix service for all bus, rail and light rail customers. Beginning September 9, 2015, NJ TRANSIT customers will be able to utilize their mobile device to access MyTix, NJ TRANSIT train schedules, DepartureVision, MyBus and trip planning functionality, allowing them to quickly make travel plans, buy tickets and get transit information. The app will continue to evolve in order to offer additional services and greater efficiencies to all NJ TRANSIT customers. The NJ TRANSIT mobile app was developed in direct response to the feedback that the agency received from MyTix users and delivers on what MyTix customers have requested, an app which serves as a single source for both NJ TRANSIT travel information and ticketing, and the new NJ TRANSIT app delivers.

Executive Director Hakim thanked Chief Information Officer Michael Slack together with Gene McManus, Kelly Barnes, Karen Giordano and Syed Ahamed along with their team for a job well done.

Executive Director Hakim recognized the contributions of Chief Financial Officer Kathleen Sharman, who will be leaving NJ TRANSIT for an exciting project in Orlando, Florida. Executive Director Hakim publicly acknowledged Ms. Sharman for all she has accomplished. Transit finance is not an easy business and with Ms. Sharman's guidance, NJ TRANSIT has persevered through some challenging fiscal times which enabled a critical look at processes to make smart decisions about the future. Executive Director Hakim said Ms. Sharman is a true transportation professional and her leadership and enthusiasm will be sorely missed. Executive Director Hakim and the Board of Directors wished Ms. Sharman success in future endeavors.

Executive Director Hakim said the next several weeks are a demanding and exciting time at NJ TRANSIT and she has every confidence the team will rise to the occasion and make NJ TRANSIT proud.

**Action Items:**

**1509-31: NABI FUEL ECONOMY UPGRADE**

Executive Director Hakim introduced Dennis Martin, Vice President & General Manager, Bus Operations, who presented Action Item 1509-31 for approval.

Dennis Martin recommended approval of Item #1509-31, NABI Fuel Economy Upgrade.

Authorization was requested to enter into a sole source agreement with New Flyer Corporation of Winnipeg, Manitoba for an electric cooling fan upgrade for NJ TRANSIT and its contract carriers NABI bus fleet, at a cost not to exceed \$4,341,239.00, plus five percent for contingencies, subject to the availability of funds.

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

**Roll Call Vote:**

Fox	Meisel	Herbold	Longo	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Absent	Yes	Yes	Non-Voting Member

**1509-32: SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM – PRELIMINARY AND FINAL DESIGN AND CONSTRUCTION ASSISTANCE SERVICES FOR HOBOKEN LONG SLIP FILL AND RAIL ENHANCEMENT PROJECT PHASE 1**

Executive Director Hakim introduced Steve Santoro, Assistant Executive Director, Capital Planning & Programs, who presented Action Item 1509-32 for approval.

Steve Santoro recommended approval of Item #1509-32, Superstorm Sandy Disaster Recovery and Resilience Program: Amendment to 2012 Task Order Consultant Contracts Program – Preliminary and Final Design and Construction Assistance Services for Hoboken Long Slip Fill and Rail Enhancement Project Phase 1.

Authorization was requested to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with URS Corporation by \$7,045,350 for completion of Phase 1 Preliminary Design, Final Design and Construction Assistance services for the Hoboken Long Slip Fill and Rail Enhancement Project, subject to the availability of funds.

Board Member Flora M. Castillo moved the resolution, Vice Chairman Bruce M. Meisel seconded it and it was unanimously adopted.

**Roll Call Vote:**

Fox	Meisel	Herbold	Longo	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Absent	Yes	Yes	Non-Voting Member

**1509-33: SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM – ENVIRONMENTAL PERMITTING AND NATIONAL ENVIRONMENTAL POLICY ACT DOCUMENTATION AND OTHER SUPPORT**

Executive Director Hakim introduced Steve Santoro, Assistant Executive Director, Capital Planning & Programs, who presented Action Item 1509-33 for approval.

Steve Santoro recommended approval of Item #1509-33, Superstorm Sandy Disaster Recovery and Resilience Program: Amendment to 2012 Task Order Consultant Contracts Program – Environmental Permitting and National Environmental Policy Act Documentation and Other Support.

Authorization was requested to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with BEM Systems, Inc. by \$11,500,000 for support related to National Environmental Policy Act documentation, environmental permitting, and development of the *Coastal Storm Surge Emergency Warning System*, subject to the availability of funds.

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

**Roll Call Vote:**

Fox	Meisel	Herbold	Longo	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Absent	Yes	Yes	Non-Voting Member

**1509-34: FAIRLAWN, NEW JERSEY PROPERTY: LONG-TERM LICENSE OF VACANT LAND**

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1509-34 for approval.

Kathleen Sharman recommended approval of Item #1509-34, Fairlawn, New Jersey Property: Long-Term License of Vacant Land.

Authorization was requested to enter into a license with Blue Ridge Lumber Co. of Blairstown, New Jersey, for the use of an approximately two-acre vacant parcel of land in the Borough of Fair Lawn, Bergen County, New Jersey, at an initial annual user fee of \$59,004, increasing to \$84,000 in the second year, increasing to \$111,725 in the third year, plus 2.5 percent annual increases for the remainder of the initial eight-year term and three five-year options, representing a total revenue of up to \$3,180,041 in use fees over the initial and option terms of the license.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Flora M. Castillo seconded it and it was unanimously adopted.

**Roll Call Vote:**

Fox	Meisel	Herbold	Longo	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Absent	Yes	Yes	Non-Voting Member

**1509-35: REAL ESTATE ADMINISTRATION AND MANAGEMENT: AWARD OF CONSULTANT SERVICES CONTRACT FOR LEASES, LICENSES, USE AND OCCUPANCY PERMITS AND PARKING OPERATING AGREEMENTS**

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1509-35 for approval.

Kathleen Sharman recommended approval of Item #1509-35, Real Estate Administration and Management: Award of Consultant Services Contract for Leases, Licenses, Use and Occupancy Permits and Parking Operating Agreements.

Authorization was requested to enter into a contract with Greystone & Co., Inc. of New York, New York, to provide administration and management services for leases, parking operator agreements and use and occupancy permits at an annual cost of \$665,950 for an initial period of three years with two one-year option periods, plus a one-time incentive payment of eight percent of increases in revenue from new use and occupancy permits, not to exceed \$100,000, for a total authorization of \$3,429,750 plus five percent for contingencies, subject to the availability of funds.

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

**Roll Call Vote:**

Fox	Meisel	Herbold	Longo	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Absent	Yes	Yes	Non-Voting Member

**1509-36: NORTH BERGEN PARK AND RIDE – NJ TRANSIT/PORT AUTHORITY OF NEW YORK & NEW JERSEY LEASE AMENDMENT**

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1509-36 for approval.

Kathleen Sharman recommended approval of Item #1509-36, North Bergen Park and Ride – NJ TRANSIT/Port Authority of New York & New Jersey Lease Amendment.

Authorization was requested to execute a lease amendment to an existing Agreement of Lease with the Port Authority of New York & New Jersey for continued use of the North Bergen Park and Ride facility. The lease amendment reduces the amount otherwise due under the lease and establishes an annual rent payment to be made by NJ TRANSIT to the Port Authority of New York & New Jersey in the amount of \$875,000, for a total not to exceed authorized amount of \$2,664,552 effective July 1, 2015, with an annual escalation rate of 1.5 percent. All other terms of the 2008 Agreement of Lease are to remain in place.

Board Member James C. Finkle, Jr. moved the resolution, Board Member Anthony Longo seconded it and it was unanimously adopted.

**Roll Call Vote:**

Fox	Meisel	Herbold	Longo	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Absent	Yes	Yes	Non-Voting Member

**1509-37: REGULATIONS: RULE-MAKING PROCESS PROPOSED READOPTION WITH AMENDMENTS TO N.J.A.C. 16:86 ADVERTISING STANDARDS**

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1509-37 for approval.

Kathleen Sharman recommended approval of Item #1509-37, Regulations: Rule-Making Process Proposed Readoption with Amendments to N.J.A.C. 16:86 Advertising Standards

Authorization was requested to initiate the rule-making process for the readoption of the regulations, N.J.A.C. 16:86 et seq., Advertising Standards, consistent with this Board item and Exhibit A.

Chairman Fox abstained from voting on Item #1509-37. Board Member James C. Finkle, Jr. moved the resolution, Board Member Flora M. Castillo seconded it and it was adopted.

**Roll Call Vote:**

Fox	Meisel	Herbold	Longo	Shevell	Castillo	Finkle	Greaves
Abstained	Yes	Yes	Yes	Absent	Yes	Yes	Non-Voting Member

**1509-38: REGULATIONS: PROPOSED ADOPTION OF NEW RULE N.J.A.C. 16:89 FERRY CAPITAL IMPROVEMENT PROGRAM GUIDELINES AND PROCEDURES**

Executive Director Hakim introduced Dennis Martin, Vice President & General Manager, Bus Operations, who presented Action Item 1509-38 for approval.

Dennis Martin recommended approval of Item #1509-38, Regulations: Proposed Adoption of New Rule N.J.A.C. 16:89 Ferry Capital Improvement Program Guidelines and Procedures

Authorization was requested to take all actions necessary to adopt a new rule at N.J.A.C. 16:89 Ferry Capital Improvement Program Guidelines and Procedures, consistent with this Board item and exhibits and to take all other actions necessary to effectuate the final adoption and promulgation of NJ TRANSIT's Ferry Capital Improvement Program.

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

**Roll Call Vote:**

Fox	Meisel	Herbold	Longo	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Absent	Yes	Yes	Non-Voting Member

**Executive Session Authorization**

Chairman Fox concluded the open session agenda items and requested a motion to enter Executive Session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Jeffrey Byrd at approximately 9:55 a.m.

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

Chairman Fox, Board Members Herbold, Longo, Finkle and Castillo returned to open session at approximately 10:02 a.m. Vice Chairman Meisel and Board Member Greaves were absent for this portion of the meeting.

**1509-39: PERSONAL INJURY CLAIM OF JEFFREY BYRD**

Executive Director Hakim introduced, Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1509-39 for approval.

Kathleen Sharman recommended approval of Item #1509-39, Personal Injury Claim of Jeffrey Byrd.

Authorization was requested to settle the claim of Jeffrey Byrd, through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

Board Member James C. Finkle, Jr. moved the resolution, Board Member Flora M. Castillo seconded it and it was unanimously adopted.

### **Adjournment**

Since there were no further comments or business, Chairman Fox called for adjournment and a motion to adjourn was made by Board Member James C. Finkle, Jr., seconded by Board Member Amy Herbold 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**

SEPTEMBER 9, 2015

<b>MINUTES</b>	<b>PAGE</b>
➤ <b>SAFETY ANNOUNCEMENT</b>	-
➤ <b>CALL TO ORDER</b>	-
➤ <b>PLEDGE OF ALLEGIANCE TO THE FLAG</b>	-
➤ <b>APPROVAL OF MINUTES OF PREVIOUS MEETINGS</b>	<b>48164</b>
➤ <b>PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS</b>	-
➤ <b>ADVISORY COMMITTEE REPORT</b>	-
➤ <b>SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT REPORT DUE DECEMBER 2015)</b>	-
➤ <b>BOARD COMMITTEE REPORTS</b>	-
*Customer Service Committee	
*Administration Committee	
*Capital Planning, Policy and Privatization Committee	

**ACTION ITEMS**

<b>1509-31</b>	<b>NABI FUEL ECONOMY UPGRADE</b>	<b>48187</b>
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Authorization to enter into a sole source agreement with New Flyer Corporation of Winnipeg, Manitoba for an electric cooling fan upgrade for NJ TRANSIT and its contract carriers NABI bus fleet, at a cost not to exceed \$4,341,239.00, plus five percent for contingencies, subject to the availability of funds.

<b>1509-32</b>	<b>SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM – PRELIMINARY AND FINAL DESIGN AND CONSTRUCTION ASSISTANCE SERVICES FOR HOBOKEN LONG SLIP FILL AND RAIL ENHANCEMENT PROJECT PHASE 1</b>	<b>48191</b>
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Authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with URS Corporation (NJ TRANSIT Contract No. 13-001C) by \$7,045,350 for completion of Phase 1 Preliminary Design, Final Design and Construction Assistance services for the Hoboken Long Slip Fill and Rail Enhancement Project, subject to

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  
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the availability of funds. The maximum task order and contract limits for this contract previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

**1509-33 SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM – ENVIRONMENTAL PERMITTING AND NATIONAL ENVIRONMENTAL POLICY ACT DOCUMENTATION AND OTHER SUPPORT 48198**

Authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with BEM Systems, Inc. (NJ TRANSIT Contract No. 13-002B) by \$11,500,000 for support related to NEPA documentation, environmental permitting, and development of the *Coastal Storm Surge Emergency Warning System*, subject to the availability of funds. The maximum task order and contract limits for this previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

**1509-34 FAIR LAWN, NEW JERSEY PROPERTY: LONG-TERM LICENSE OF VACANT LAND 48205**

Authorization to enter into a license with Blue Ridge Lumber Co. of Blairstown, New Jersey, for the use of an approximately two-acre vacant parcel of land known as 50 Banta Place, Block 3411, Lot 2.A, in the Borough of Fair Lawn, Bergen County, New Jersey, at an initial annual user fee of \$59,004, increasing to \$84,000 in the second year, increasing to \$111,725 in the third year, plus 2.5 percent annual increases for the remainder of the initial eight-year term and three five-year options, representing a total revenue of up to \$3,180,041 in use fees over the initial and option terms of the license.

**1509-35 REAL ESTATE ADMINISTRATION AND MANAGEMENT: AWARD OF CONSULTANT SERVICES CONTRACT FOR LEASES, LICENSES, USE AND OCCUPANCY PERMITS AND PARKING OPERATING AGREEMENTS 48210**

Authorization to enter into NJ TRANSIT Contract No. 15-005 with Greystone & Co., Inc. (doing business as Greystone Management Solutions) of New York, New York, to provide administration and management services for leases, parking operator agreements and use and occupancy permits at an annual cost of \$665,950 for an initial period of three years with two one-year option periods, plus a one-time incentive payment of eight percent of increases in revenue from new use and occupancy permits, not to exceed \$100,000, for a total authorization of \$3,429,750 plus five percent for contingencies, subject to the availability of funds.

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  
SEPTEMBER 9, 2015  
MINUTES  
PAGE 3

**1509-36 NORTH BERGEN PARK AND RIDE - NJ TRANSIT/PORT AUTHORITY OF NEW YORK & NEW JERSEY LEASE AMENDMENT 48214**

Authorization to execute a lease amendment to an existing Agreement of Lease with the PANYNJ for continued use of the North Bergen Park and Ride facility. The lease amendment reduces the amount otherwise due under the lease and establishes an annual rent payment to be made by NJ TRANSIT to the PANYNJ in the amount of \$875,000, effective July 1, 2015, with annual 1.5 percent escalations. All other terms of the 2008 Agreement of Lease are to remain in place. The agreement will expire in 2018.

**1509-37 REGULATIONS: RULE-MAKING PROCESS PROPOSED READOPTION WITH AMENDMENTS TO N.J.A.C. 16:86 ADVERTISING STANDARDS 48217**

Authorization to initiate the rule-making process for the readoption of the regulations, N.J.A.C. 16:86 et seq., Advertising Standards, consistent with this Board item and Exhibit A.

**1509-38 REGULATIONS: PROPOSED ADOPTION OF NEW RULE N.J.A.C. 16:89 FERRY CAPITAL IMPROVEMENT PROGRAM GUIDELINES AND PROCEDURES 48233**

Authorization to take all actions necessary to adopt a new rule at N.J.A.C. 16:89 et seq., Ferry Capital Improvement Program Guidelines and Procedures, consistent with this Board item and exhibits, put the regulations in the appropriate format and to take all other actions necessary to effectuate the final adoption and promulgation of NJ TRANSIT's Ferry Capital Improvement Program.

➤ **EXECUTIVE SESSION AUTHORIZATION: Discuss personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Jeffrey Byrd. 48241**

**1509-39 PERSONAL INJURY CLAIM OF JEFFREY BYRD 48242**

Authorization to settle the claim of Jeffrey Byrd, through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

➤ **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 July 15, 2015 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 July 22, 2015;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the July 15, 2015 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.

Chris Christie, Governor  
Kim Guadagno, Lieutenant Governor  
Jamie Fox, Board Chairman  
Veronique Hakim, Executive Director



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

TO: BOARD OF DIRECTORS  
FROM: VERONIQUE "RONNIE" HAKIM   
DATE: SEPTEMBER 9, 2015  
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – SEPTEMBER, 2015

Mr. Chairman, it is always a source of great pride for me to be able to share our success stories with you and the members of our Board of Directors.

Last month, our NJ TRANSIT team put forth a tremendous effort at Monmouth Park in support of the Haskell Invitational where American Pharoah made history. Led by the Rail Operations Division, the NJ TRANSIT Police Department, the NJTPD Office of Emergency Management, Customer Service and the Bus Division DIN Crew, NJ TRANSIT implemented a comprehensive plan that moved thousands of people – without incident – both to and from Monmouth Park. The event went off without a hitch and NJ TRANSIT landed in the Winner's Circle.

On the heels of the Haskell, we are now deeply engaged in preparations for the Papal Visit at the end of September. The NJ TRANSIT Police Department has managed a carefully coordinated and comprehensive planning process leading up to these events and each and every business line is invested in its success.

We are prepared to meet the needs not only of the throngs of people expected to utilize our system, but to also manage the commutes of our existing customers. We have made it clear in all our outreach during press conferences, as well as on our website, in newspaper ads and via social media that this will NOT be a regular week of travel on NJ TRANSIT. It may sound counterintuitive for a transit executive to advocate, but if people don't have to be on our system that week – they should take advantage of a staycation.

As travel returns to normal following Pope Francis' visit, our customers will be able to enjoy our new mobile app and the expansion of the existing MyTix service for all bus, rail and light rail customers.

Beginning today, NJ TRANSIT customers will be able to utilize their mobile device to access MyTix, NJ TRANSIT train schedules, DepartureVision, MyBus and trip planning functionality, allowing them to quickly make travel plans, buy tickets and get transit information. The app will continue to evolve in order to offer additional services and greater efficiencies to all NJ TRANSIT customers.

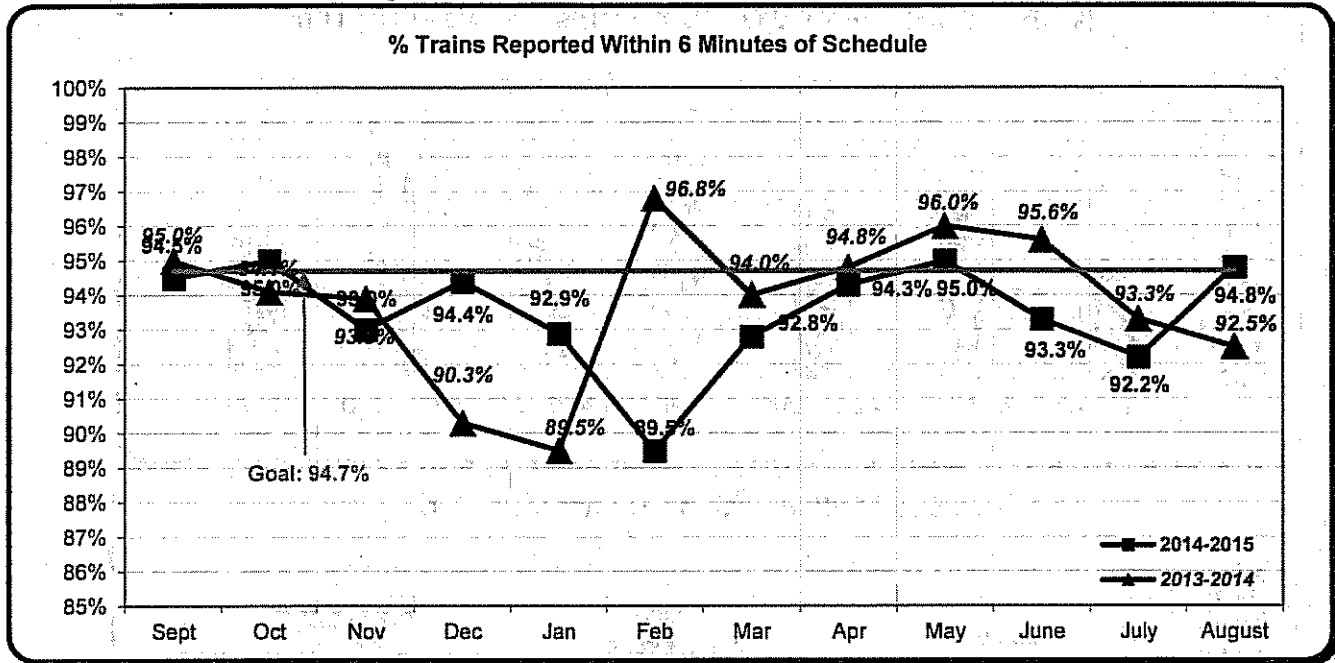
The NJ TRANSIT mobile app was developed in direct response to the feedback that the agency received from MyTix users and delivers on what MyTix customers have requested, an app which serves as a single source for both NJ TRANSIT travel information and ticketing, and the new NJ TRANSIT app delivers.

# **EXECUTIVE DIRECTOR'S MONTHLY REPORT SEPTEMBER 2015**

- 1. PERFORMANCE MEASURES**
- 2. MEAN DISTANCE BETWEEN FAILURES**
- 3. DBE/MBE PROGRAM**
- 4. EMPLOYEE RECOGNITION**

# **PERFORMANCE MEASURES**

# NJ TRANSIT ON-TIME PERFORMANCE RAIL SEPTEMBER 2013 - AUGUST 2015



	2014	2015	# Change
August Comparison	92.5%	94.8%	2.3%

	2013-2014	2014-2015	# Change
12-Month Average September-August	93.8%	93.5%	-0.3%

**Analysis:**

Rail On-Time Performance was 94.8% for August 2015. Of the 18,435 trains scheduled to operate, 17,477 were on time, while 958 trains (or 5.2%) were delayed. Key causes included:

- NJT heavy travel for the Haskell Invitational, Amtrak High Speed Rail project and NJT locomotive failure caused 53 delays for a total of 83.5% OTP on August 2.
- Amtrak programmed maintenance, Amtrak equipment failure, Amtrak human error and NJT dual mode engine problem caused 60 delays for a total of 89.1% OTP on August 4.
- Amtrak trackside interference and Amtrak programmed maintenance caused 92 delays for a total of 92% OTP on August 6.

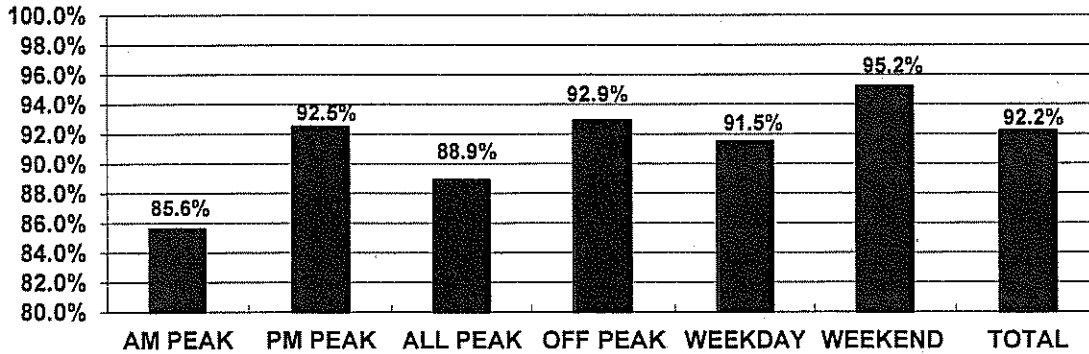
The 12-month average for Rail On-Time Performance for September 2013-August 2015 was 93.7%.

# ON-TIME PERFORMANCE RAIL

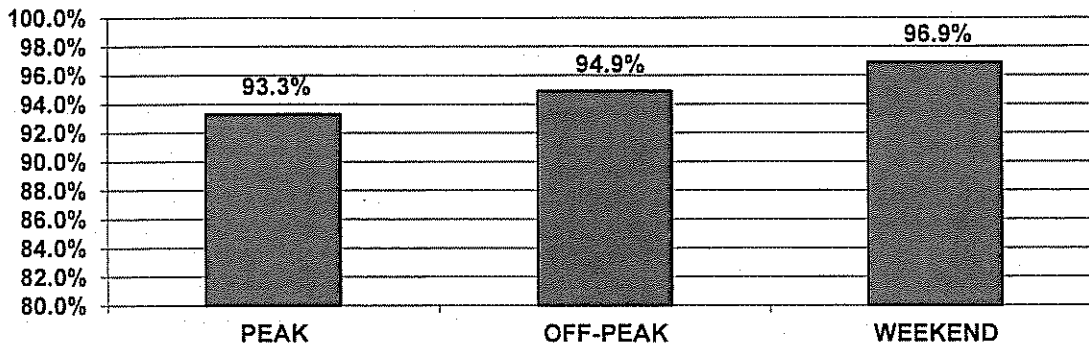
## SUMMARY BY TIME PERIOD AUGUST 2015

\* NOTE: A train is reported late if it arrives at its final station stop more than 5'59" later than the advertised schedule.

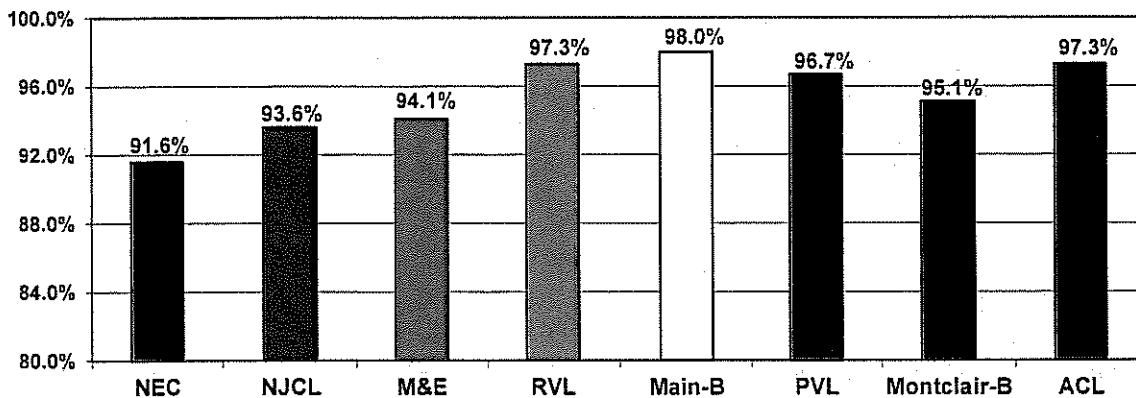
### % NEW YORK PENN STATION Trains Reported On Time \*



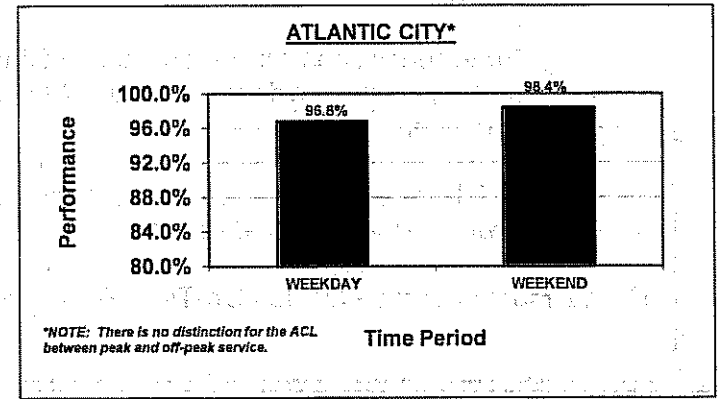
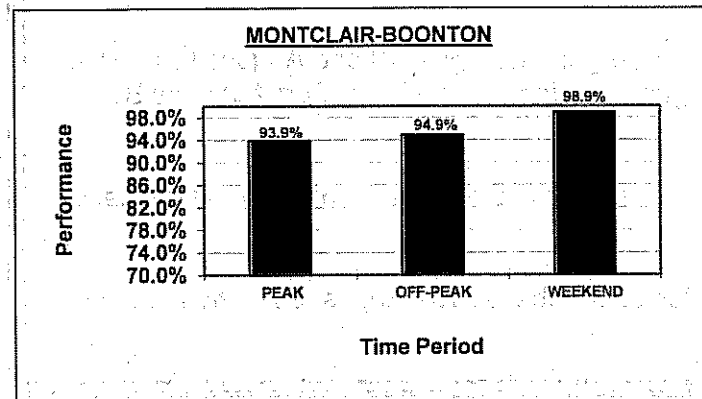
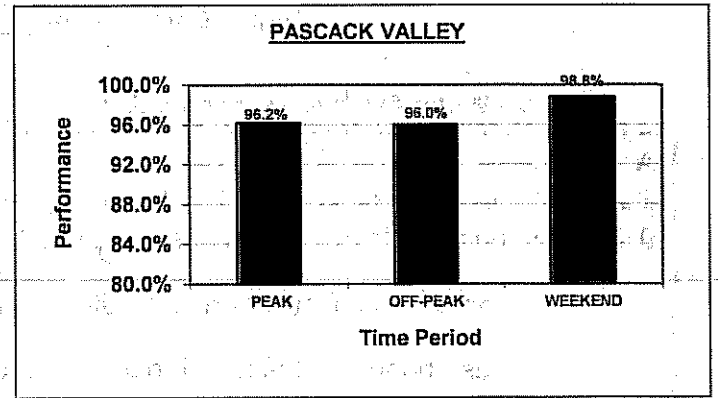
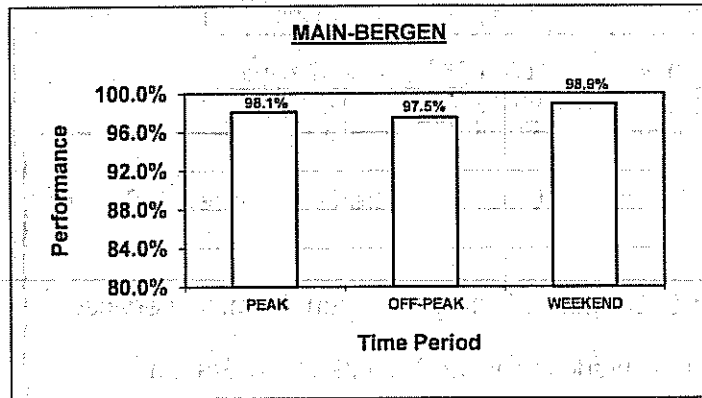
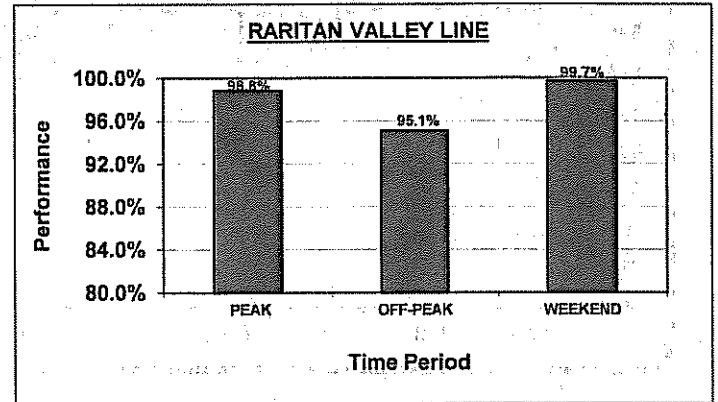
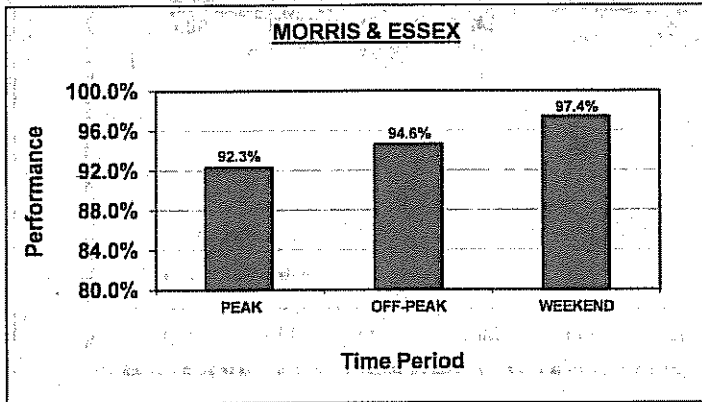
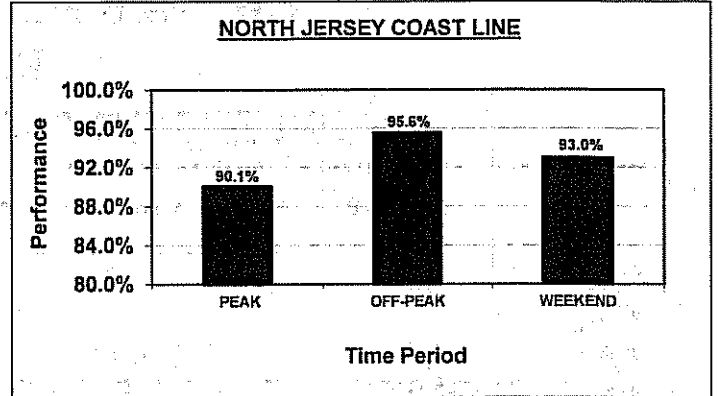
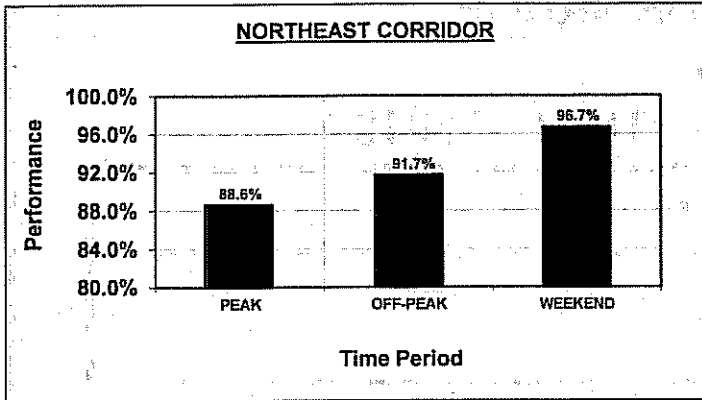
### % SYSTEMWIDE Trains Reported On Time



### % BY LINE Trains Reported On Time

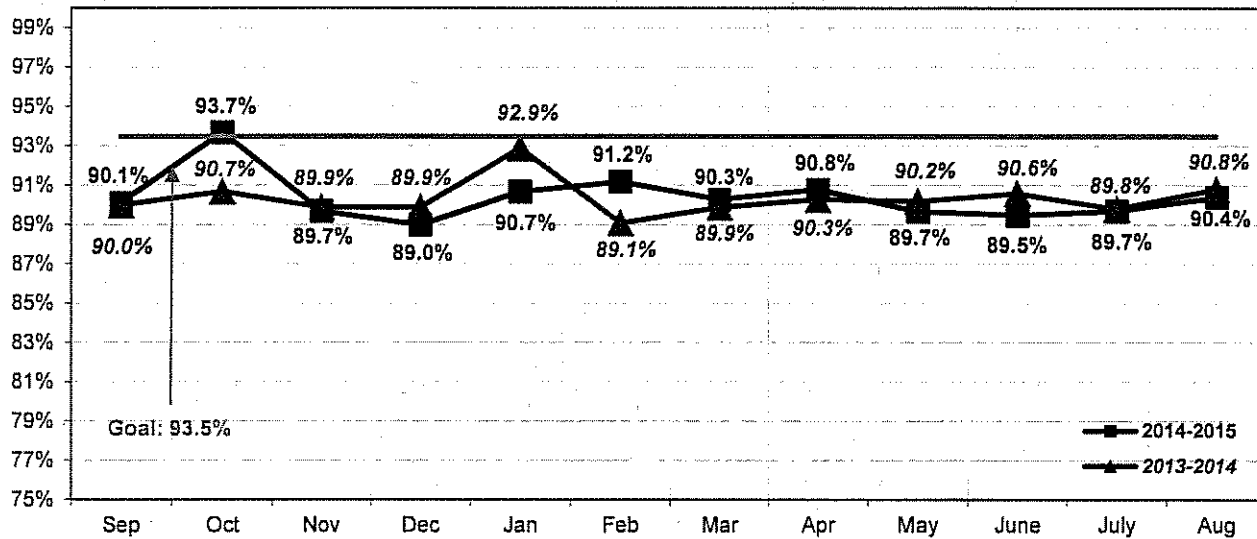


# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD AUGUST 2015



# NJ TRANSIT ON-TIME PERFORMANCE BUS SEPTEMBER 2013 - AUGUST 2015

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2014	2015	% Change
August Comparison	90.8%	90.4%	-0.4%

	2013-2014	2014-2015	% Change
12-Month Average September-August	90.3%	90.4%	0.1%

**Analysis:**

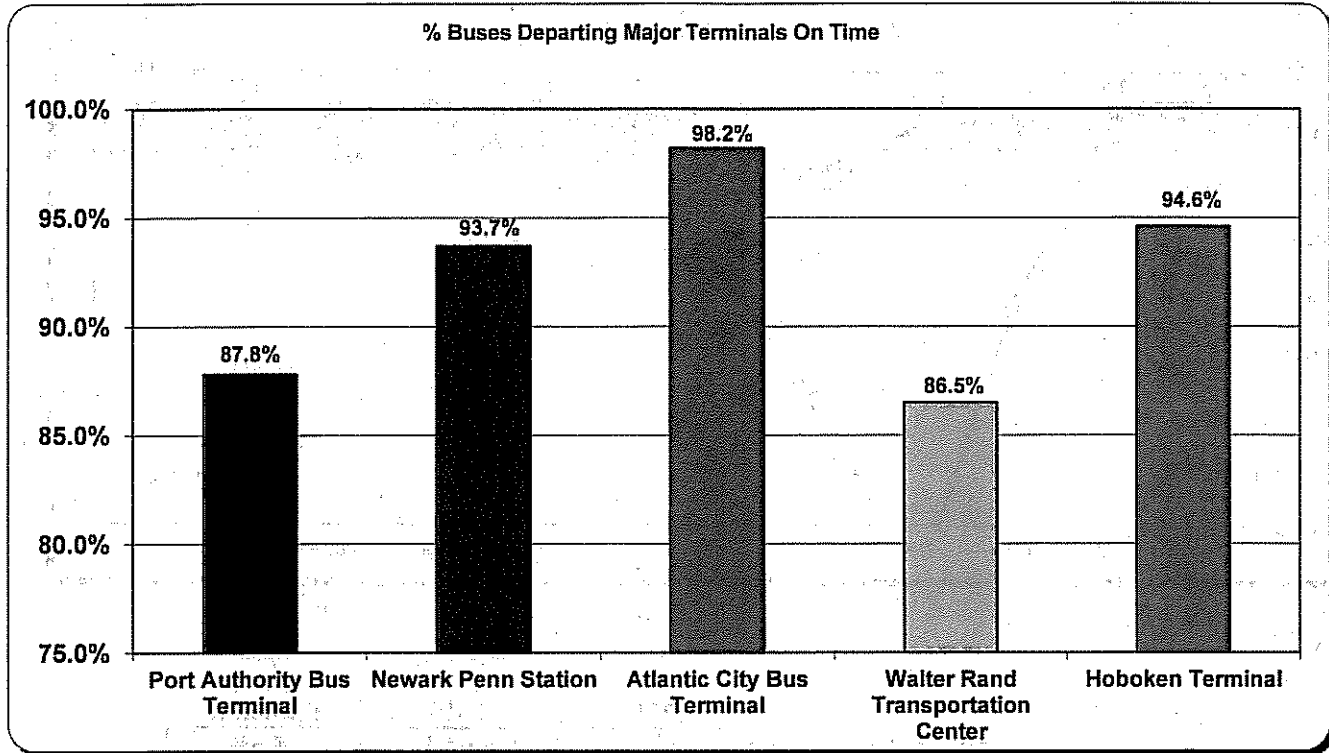
Bus On-Time Performance was 90.4 % for August 2015. Of the 40,887 monitored departures, 3,914 (or 9.6%) experienced delays. Key causes included:

- Emergency construction on Route 495 in North Bergen affecting Hoboken Terminal service.
- Cross-honoring due to railroad track fire at in Newark impacting Newark Penn Station service.
- Emergency construction on Route 495 in North Bergen on August 13 and August 14 and two motor vehicle accidents on Route 495 on August 21 affecting service at Port Authority Bus Terminal .
- Building demolition project near terminal and weekly concert activity impacting Walter Rand Transportation Center service.

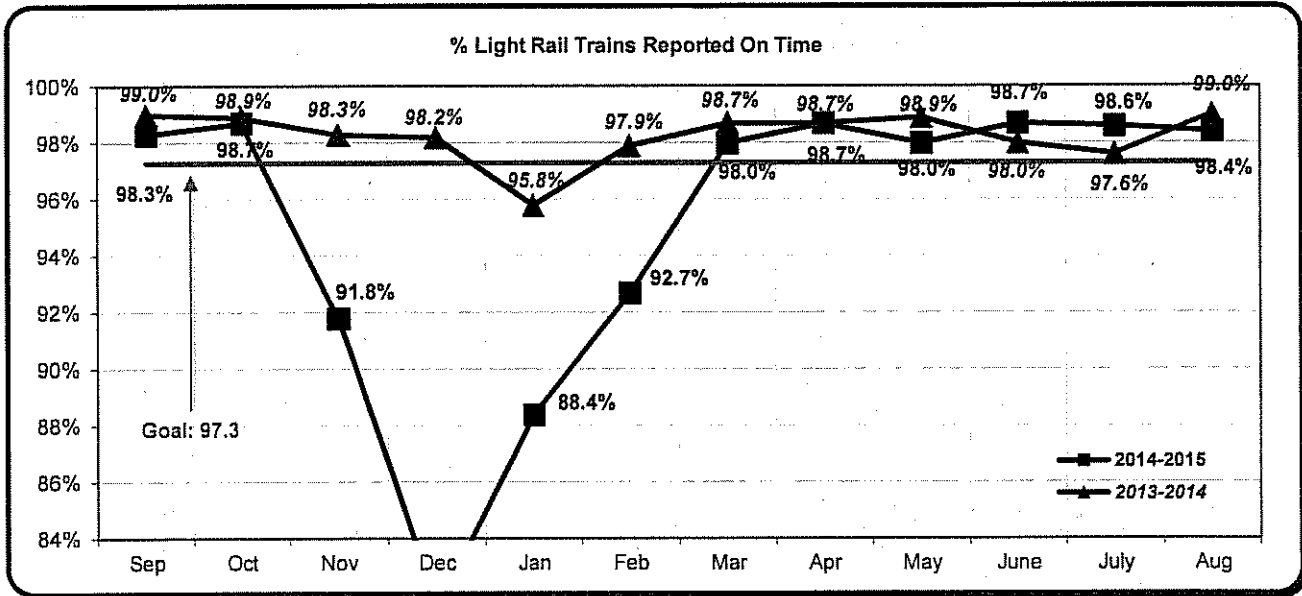
The 12-month average for Bus On-Time Performance for September 2013 - August 2015 was 90.4%.

# ON-TIME PERFORMANCE BUS

## SUMMARY BY TERMINAL AUGUST 2015



## NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL SEPTEMBER 2013 - AUGUST 2015



	2014	2015	# Change
August Comparison	99.0%	98.4%	-0.6%

	2013-2014	2014-2015	# Change
12-Month Average September-August	98.3%	95.2%	-3.1%

**Analysis:**

Light Rail On-Time Performance systemwide was 98.4% for the month of August 2015. Of the 26,222 monitored departures, 416 (or 1.6%) experienced delays. Key causes included:

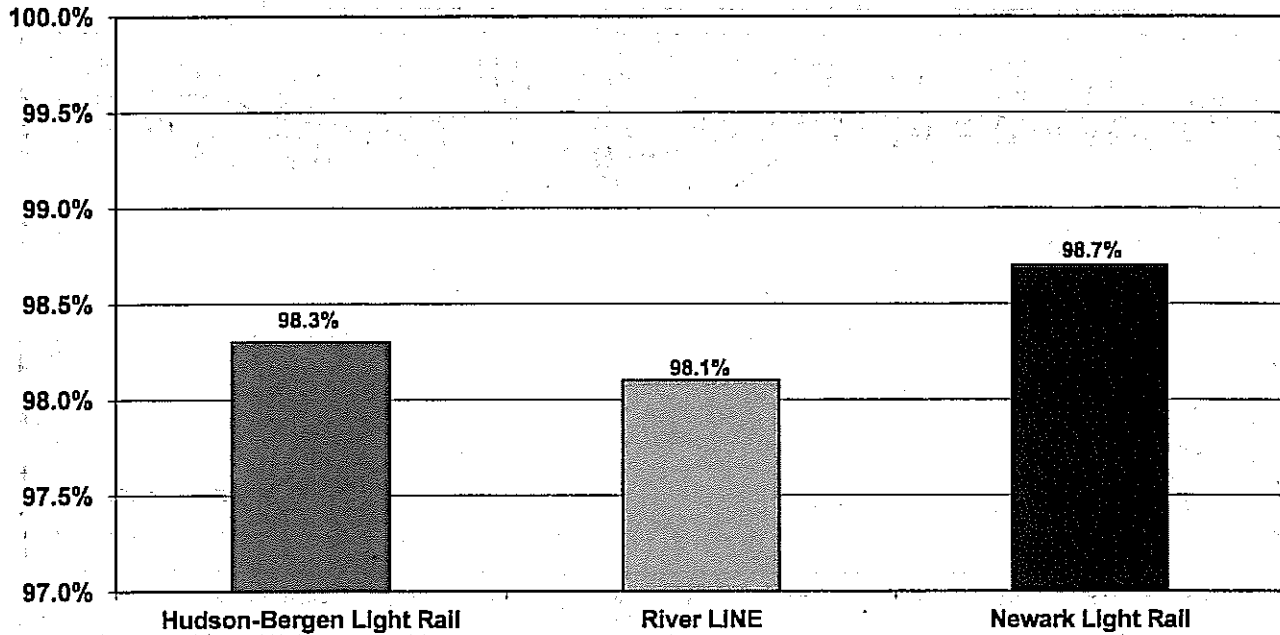
- Light rail/vehicle accident at 19th Street delayed 40 Hudson-Bergen Light Rail trains on August 21.
- Equipment problems caused 12 River Line trains on August 28.
- Switch failure and an equipment problem delayed 36 Newark Light Rail trains on August 4.

The 12-month average for Light Rail On-Time Performance for September 2013-August 2015 was 96.8%.

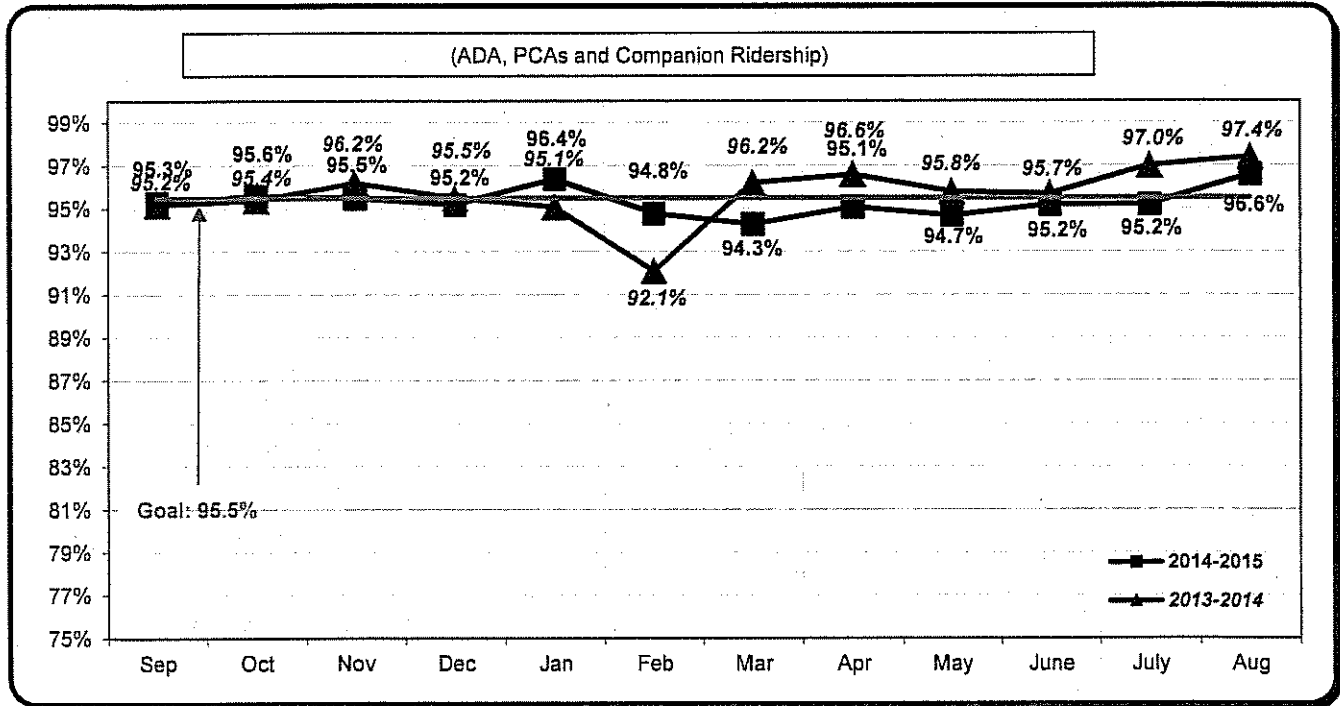
# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE AUGUST 2015

% Light Rail Trains Reported On Time



## NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK SEPTEMBER 2013 - AUGUST 2015



	2014	2015	% Change
August Comparison	97.4%	96.6%	-0.8%

	2014	2015	Difference
August Ridership	109,500	122,647	13,147

	2013-2014	2014-2015	% Change
12-Month Average September-August	95.7%	95.3%	-0.4%

**Analysis:**

Access Link On-Time Performance was 96.6% for August 2015. Of the 122,647 total trips, 3,718, or 3.4% experienced delays.

Key causes include:

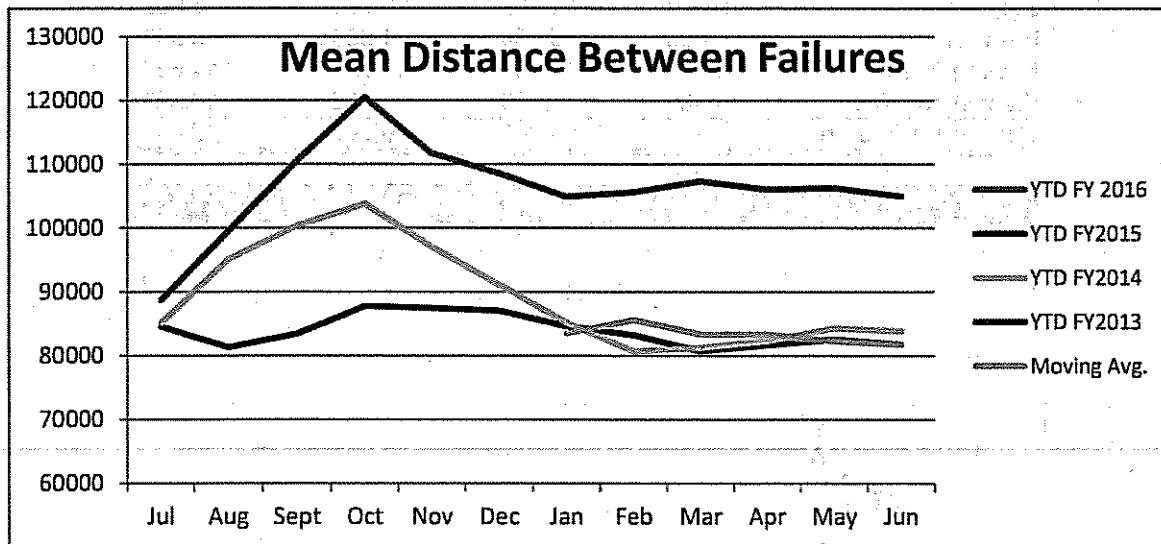
- \* Traffic congestion.
- \* Cancellations and customer no-shows.

The 12-month average for Access Link On-Time Performance for September 2013-August 2015 was 95.5%.

# **MEAN DISTANCE BETWEEN FAILURES**

**NJ Transit Rail**  
**Mean Distance Between Failures**

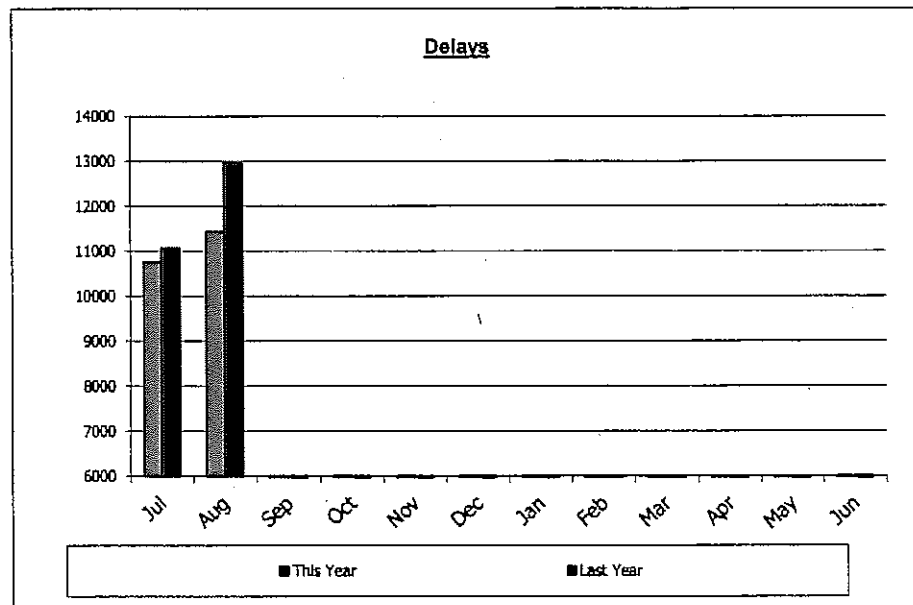
Month	YTD FY2016	YTD FY2015	YTD FY2014	YTD FY2013	12 Month Moving Avg.
Jul	69,926	84,508	85,097	88,735	80,305
Aug	-	81,319	95,116	99,585	-
Sept	-	83,368	100,341	110,530	-
Oct	-	87,750	103,813	120,591	-
Nov	-	87,434	97,112	111,758	-
Dec	-	87,042	91,128	108,579	-
Jan	-	84,607	85,161	104,917	83,493
Feb	-	83,179	80,639	105,580	85,552
Mar	-	80,659	81,229	107,335	83,308
Apr	-	81,649	82,293	106,048	83,222
May	-	82,566	84,237	106,287	82,285
Jun	-	81,704	83,798	104,975	81,704



### Garage Performance Parameters

**August 2015**

Location	Miles Between In-Service Delays			
	FY2016 Goal	This Month	FY2016 YTD	FY2015 YTD
Fairview	7,000	5,568	4,786	7,235
Greenville	9,900	10,082	8,776	8,054
Market Street	9,500	6,992	7,220	10,123
Meadowlands	11,500	7,687	7,344	8,462
Oradell	13,500	10,943	9,630	8,695
Wayne	12,500	10,183	10,724	12,242
<b>Northern Division</b>	-	<b>8,569</b>	<b>8,163</b>	<b>9,327</b>
Big Tree	9,600	8,088	7,809	8,924
Hilton	10,500	12,941	10,955	11,393
Howell	16,750	38,580	40,775	20,784
Ironbound	9,800	9,218	8,674	10,389
Orange	10,200	8,159	8,091	10,806
Morris	10,500	50,208	51,300	51,337
<b>Central Division</b>	-	<b>12,825</b>	<b>12,249</b>	<b>12,838</b>
Egg Harbor	15,500	15,153	16,786	16,632
Hamilton	19,000	25,734	21,969	19,053
Newton Avenue	15,700	19,194	17,741	14,637
Washington Twp.	14,500	12,363	13,285	14,622
<b>Southern Division</b>	-	<b>15,402</b>	<b>16,003</b>	<b>15,732</b>
<b>Bus Operations</b>	-	<b>11,426</b>	<b>11,075</b>	<b>11,922</b>

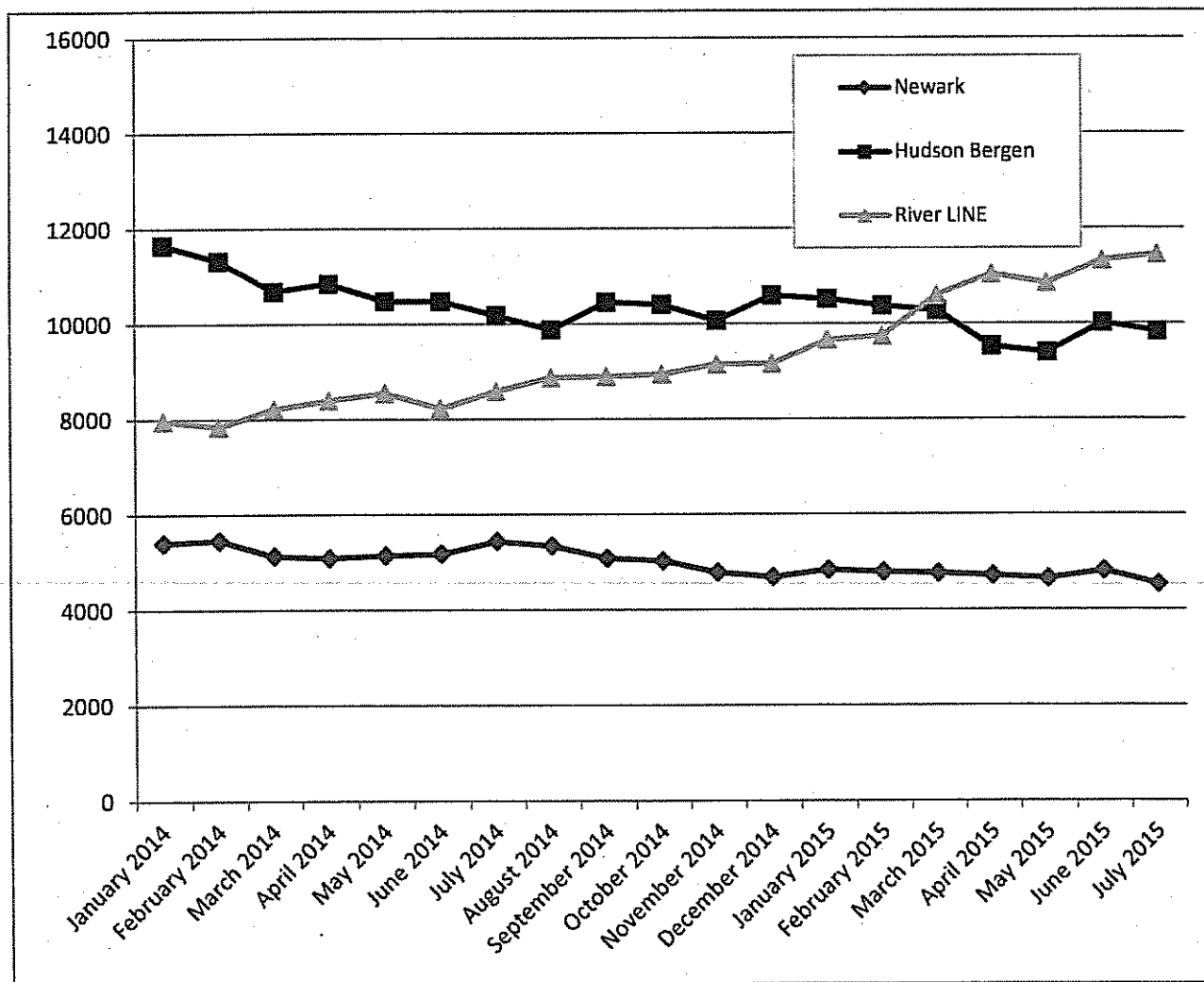


## NJ TRANSIT - LIGHT RAIL, July 2015

### Miles Between In-Service Delays (Mechanical Failures)

Light Rail System	July 2015 (Current Month)	12 Month Moving Average (Mean)
Newark Light Rail	5,971	4,811
Hudson Bergen	15,971	10,014
River LINE	13,995	11,449

### MEAN DISTANCE MILES BETWEEN IN-SERVICE DELAYS (DELAYED TRAINS)



Notes: Newark Light Rail's totals are impacted by the short 5 mile alignment distance and single car consists.

# **DBE/MBE PROGRAM**

**State Funded Contracts**

During the month of August 2015, NJ TRANSIT awarded **\$81,441,783.16** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$24,326,988.06** or **29.87%**.

During the State Fiscal Year **2016** (July 1, 2015 through June 30, 2016) NJ TRANSIT awarded **\$86,383,697.73** in state funded contracts. Of that total, SBEs received **\$25,709,957.51** or **29.76%**.

**SBE Goal Attainment from July 1, 2015 through June 30, 2016 (FY 2015)**

Category 1 SBEs received	\$371,606.00	or 0.43%
Category 2 SBEs received	\$129,750.00	or 0.15%
Category 3 SBEs received	\$24,122,463.51	or 27.92%
Category 4 SBEs received	\$0.00	or 0.00%
Category 5 SBEs received	\$1,086,138.00	or 1.26%
Category 6 SBEs received	\$0.00	or 0.00%

**FTA Funded Contracts (updated Quarterly – next update will occur October 2015)**

During the 3rd Quarter (April 1, 2015 – June 30, 2015) of Federal Fiscal Year 2015 (October 1, 2014 through September 30, 2015), the FTA funded share of NJ TRANSIT’s federal contracts awarded was **\$0.00**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$0.00** or **0%**.

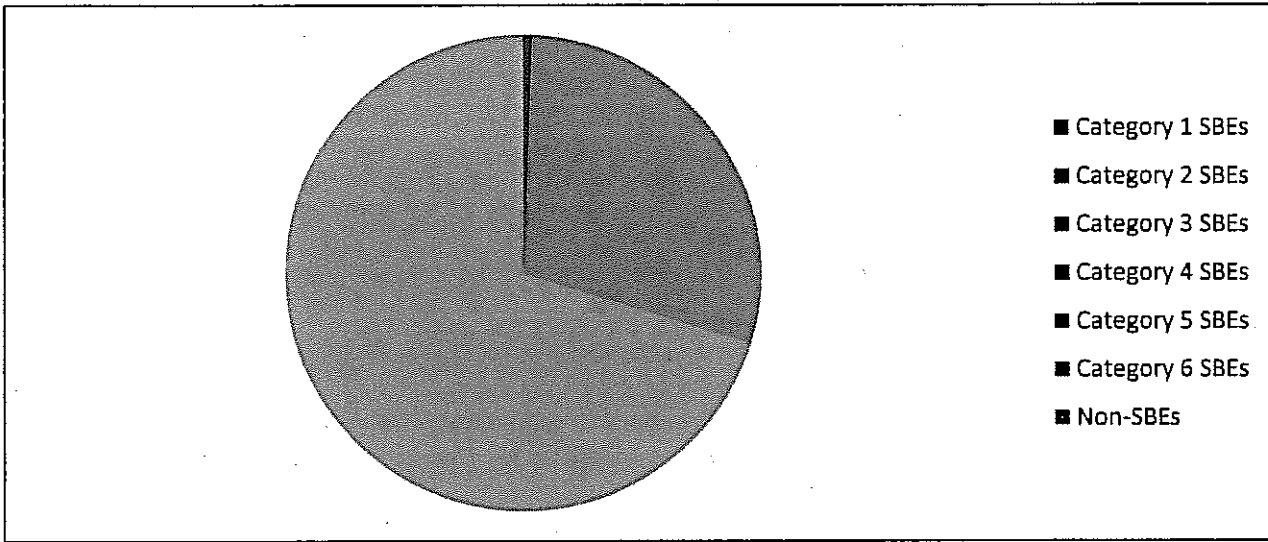
**DBE Goal Attainment from October 1, 2013 (FFY 2014) - September 30, 2016 (FFY 2016)\***

Contracts awarded	\$22,312,655.65
DBEs received	\$ 4,234,696.34 or 18.98%

\*Numbers reflect federal share.

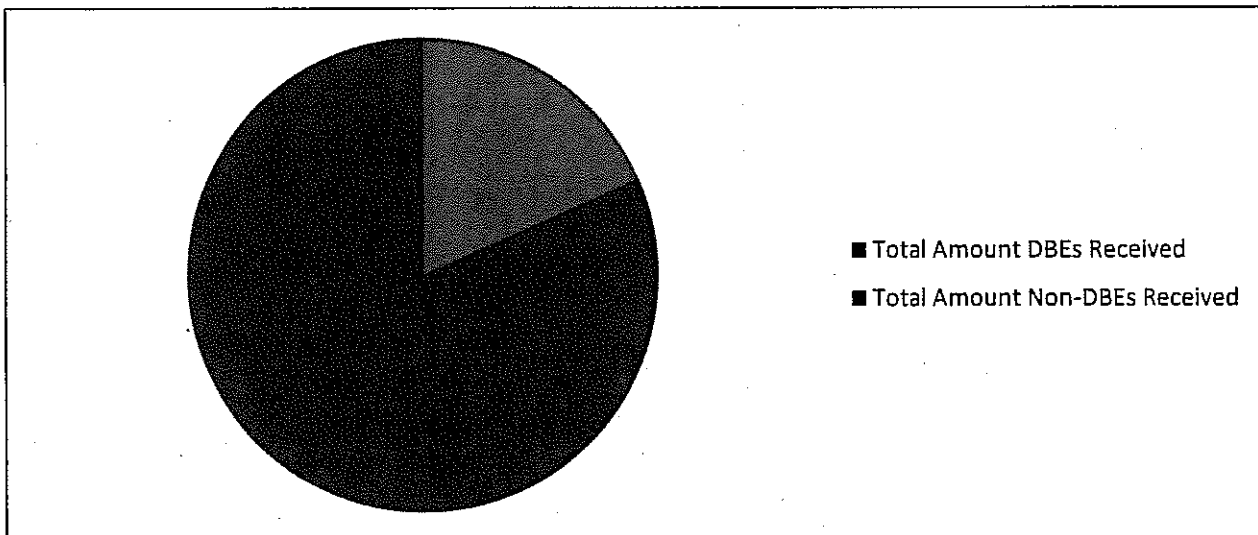
SBE PARTICIPATION  
STATE CONTRACTS  
STATE FYTD 2016

Category 1 SBEs	\$371,606.00	0.43%
Category 2 SBEs	\$129,750.00	0.15%
Category 3 SBEs	\$24,122,463.51	27.92%
Category 4 SBEs	\$0.00	0.00%
Category 5 SBEs	\$1,086,138.00	1.26%
Category 6 SBEs	\$0.00	0.00%
Non-SBEs	\$60,673,740.22	82.29%



DBE PARTICIPATION  
FEDERAL CONTRACTS  
TRIENNIAL YEARS 2014-2016

Total Amount DBEs Received	\$4,454,696.34	18.34%
Total Amount Non-DBEs Received	\$19,832,535.30	81.66%



# **EMPLOYEE RECOGNITION**

**NJ TRANSIT employees bid farewell after outstanding careers**

Forty-seven NJ TRANSIT employees retired in July and August with careers ranging from 11 to 36 years of service:

1. Robert Bowie – Mechanic Class “A” – Washington Township Garage – 36 years
2. Patrick Cologan – Mechanic Class “A” – Washington Township Garage – 27 years
3. Moses DeSousa – Mechanic Class “A” – Central Maintenance Facility – 34 years
4. Joseph Duckins – Mechanic – Newark – 30 years
5. Joao Figueiredo – Bus Operator – Ironbound Garage – 35 years
6. Franck Florian – Light Rail Operator – Newark Light Rail – 23 years
7. Cardell Hosang – Bus Operator – Orange Garage – 22 years
8. Virginia Martin-Pollard – Depot Master – MMC – 30 years
9. Sergio Mendez – Bus Operators – Wayne Garage – 31 years
10. Enrique Orellano – Bus Operator – Market Street Garage – 23 years
11. Jose Pena – Bus Operator – Meadowlands Garage – 24 years
12. Lucien Rempart – Repairman Class “A” – Orange Garage – 22 years
13. Hector Rojas – Storeroom Specialist – Central Maintenance Facility – 19 years
14. Kenneth Rygiel – Electronics Tech – Newark – 33 years
15. Ronald Scott – Bus Operator – Greenville Garage – 13 years
16. Betty McFadden – Bus Operator – Orange Garage – 13 years
17. Nathaniel Watts – Information Clerk – Maplewood – 18 years
18. Tanya Brown – Senior Input Accounting – Maplewood – 25 years
19. Andre Nazario – Bus Operator – Egg Harbor Township – 15 years
20. Gerri Shaw – Bus Operator – Wayne Garage – 23 years
21. William Velez – Bus Operator – Meadowlands Garage – 12 years
22. Daniel Tepper – Foreman – MMC – 32 years
23. Lynda Townsend – Senior Budget Control Analyst – Penn Plaza – 31 years
24. Thomas Rogasis – Chief Instructor – Ferry Street – 13 years
25. Stephen Logan – Bus Operator – Egg Harbor Garage – 23 years
26. Harold Louis – Mechanic Class “AG” – Egg Harbor Garage – 28 years
27. John Mehnert – Mechanic Class “A” – Newark Bus – 33 years
28. Ronald O’Neil, Jr. – Mechanic Class “AG” – Meadowlands – 30 years
29. Frank Senteneri – Mechanic Class “AG” – Washington Township Garage – 30 years
30. Victoria Davis – Bus Operator – Howell Garage – 13 years
31. George McQuarrie – Serviceman – Howell Garage – 10 years
32. Richard Evans – Bus Operator – Washington Township Garage – 27 years

33. Willie James – Bus Operator – Oradell Garage – 11 years
34. George Jones – Bus Operator – Oradell Garage – 33 years
35. Maria Lopez – Bus Operator – Oradell Garage – 18 years
36. George Williford – Bus Operator – Washington Township Garage – 13 years
37. Ramon Cinton, Jr. – Inspector Class “A” – Market Street Garage – 20 years
38. David House – Bus Operator – Greenville Garage – 18 years
39. Barbara Clarke – Cleaner – Fairview Garage – 28 years
40. Carmelo Montanez – Bus Operator – Fairview Garage – 21 years
41. Michael Barbaro – Manager Facility Services – General Office Building – 31 years
42. Hubert McTague – Supervisor Stations – Penn Station – 29 years
43. Sallie Morris – Regional Manager Community Relations – Penn Station – 34 years
44. William O’Connell – Garage Supervisor – Fairview Garage – 35 years
45. Edward Panick, Jr. – Technical Specialist – Penn Plaza – 26 years
46. Boris Rjedkin – Principal Control Specialist – Penn Plaza – 21 years
47. John Tomlinson – Principal Scheduled Maker – Penn Plaza – 32 years

# **ACTION ITEMS**

**ITEM 1509-31:****NABI FUEL ECONOMY UPGRADE****BENEFITS**

The proposed purchase of Electric Cooling Fan upgrade kits will help improve reliability and fuel economy of NJ TRANSIT's NABI bus fleet, with installation labor performed by the bus original equipment manufacturer during a warranty campaign at no cost to NJ TRANSIT. Test installations have shown a marked improvement in fuel economy with average projected fuel savings of five percent. In addition, the existing fan drive clutch systems have proven to be maintenance intensive compared to typical electric fan systems. Staff has estimated fuel savings, once 990 buses have been upgraded, of \$1.5 million per year based on Fiscal Year 2015 fuel prices, with a project payback period of three years from the project start. Installation of these kits on the Contract Carrier fleet of 256 buses will allow the operator of these routes (NJ TRANSIT or Contract Carriers) to lower their operating costs and allow NJ TRANSIT to have a common bus configuration.

**ACTION (Scorecard: Safety and Security, Corporate Accountability, Customer Experience)**

Staff seeks authorization to enter into a sole source agreement with New Flyer Corporation of Winnipeg, Manitoba for an electric cooling fan upgrade for NJ TRANSIT and its contract carriers NABI bus fleet, at a cost not to exceed \$4,341,239.00, plus five percent for contingencies, subject to the availability of funds.

**PURPOSE**

Authorization of this contract will allow the purchase of an improved vehicle cooling system that is estimated to improve fuel economy of NJ TRANSIT's NABI bus fleet by five percent. Installation labor required to install these cooling system kits will be performed by the bus original equipment manufacturer during a warranty campaign at no cost to NJ TRANSIT.

**BACKGROUND**

Since 2013, NJ TRANSIT Bus Operations has been purchasing buses that use electric rather than belt-driven cooling fans. Use of these electric fans has allowed better regulation of engine coolant temperature resulting in more reliable engine operation, fewer emissions-related engine codes and an increase in fuel economy. The electric cooling fans have also proven more reliable than the belt-driven fans and their clutched on/off drive system.

New Flyer (formerly NABI), the manufacturer of NJ TRANSIT's fleet of 40-foot transit and suburban buses, offers an electric cooling fan kit designed to improve fuel economy. The kit replaces the existing belt-driven fan system with electric fans, appropriate shroud and a fan controller. Cummins has tested the kit to see that it met

their requirements for new vehicle installations. These requirements have been established to help limit engine warranty claims.

In March 2013, NJ TRANSIT installed an electric cooling fan kit on one of the NABI buses assigned to Orange Garage. Three additional kits were installed in November 2014 to test their compatibility with other engine configurations. The first bus operated more than 33,000 miles between May 2014 and April 2015. During this time, the bus has gotten 8.7 percent better fuel economy than the other NABI buses operated at Orange Garage. Staff estimates that this will translate into a system wide fuel savings of five percent.

New Flyer will begin performing structural warranty repairs of NJ TRANSIT's NABI bus fleet in 2015. This warranty repair requires the removal of the cooling fan system in order to access and replace a structural shelf that has been fatigue cracking. Rather than reinstalling the belt-driven cooling fan, Bus Operations wishes to have an improved electric cooling fan system installed. Since the warranty repair requires removal/reinstallation of the belt-driven cooling fan system, New Flyer has indicated that they would install their electrical cooling fan system without incurring any non-warranty covered labor costs.

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

**FISCAL IMPACTS**

**Requested Authorization:** \$4,341,239.00, plus five percent for contingencies

**Past Authorizations:** None

**Expenditures to Date:** None

**Total Project Cost:** \$4,366,239.00, plus five percent for contingencies

**Projected Date of Completion:** March 2018

**Capital Program Amount:** \$4,366,239.00

**Operating Budget Amount:** \$0

**Anticipated Source of Funds:** Transportation Trust Fund

**PRINTS ID:** NJT 01093

**DBE/SBE Goal:** N/A

**NJ Build Amount:** None

**Related/Future Authorizations:** None

**Impact on Subsequent  
Operating Budgets:**

Reduced maintenance cost and once completed a projected fuel cost savings of \$1,500,000 per year based on FY15 fuel costs. It is estimated that through June 2021, NJ TRANSIT will realize a net savings of over \$5 million (based on FY15 fuel costs) through this Fuel Economy Upgrade.

## RESOLUTION

**WHEREAS**, NJ TRANSIT operates a fleet of 990 NABI buses; and

**WHEREAS**, NJ TRANSIT contract carriers operate an additional 256 NABI buses; and

**WHEREAS**, New Flyer (who owns NABI) manufactures an electric cooling fan kit that improves reliability and fuel by an estimated five percent; and

**WHEREAS**, during the course of a warranty campaign New Flyer will be able to install the electric cooling fan kit with no labor cost to NJ TRANSIT; and

**WHEREAS**, pursuant to N.J.A.C. 16:72-1.5, competitive procurement requirements may be waived in instances where only one source of supply is available; and

**WHEREAS**, New Flyer is the original equipment manufacturer of the NABI buses; and

**WHEREAS**, it has been determined that New Flyer is certified to be the sole/single source supplier for an original equipment manufacturer approved cooling system upgrade in accordance with N.J.A.C. 16:72-1.5 and Executive Order No. 37;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to enter into a sole source agreement with New Flyer Corporation of Winnipeg, Manitoba, for an electric cooling fan upgrade for NJ TRANSIT and its contract carriers NABI bus fleet, at a cost not to exceed \$4,341,239.00, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1509-32: SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM – PRELIMINARY AND FINAL DESIGN AND CONSTRUCTION ASSISTANCE SERVICES FOR HOBOKEN LONG SLIP FILL AND RAIL ENHANCEMENT PROJECT PHASE 1**

**BENEFITS**

On November 5, 2014, the U.S. Department of Transportation announced that NJ TRANSIT had been selected through a competitive process to receive \$146,548,432 in Federal Transit Administration Emergency Relief Program funding to support the design and construction of the Hoboken Long Slip Fill and Rail Enhancement Project. The Hoboken Long Slip Fill and Rail Enhancement Project involves the filling of the Long Slip – an 1,800-foot east-west penetration of the Hudson River into Hoboken Rail Yard – to an elevation above the Federal Emergency Management Agency (FEMA) Base Flood Elevation (BFE), and the construction on the filled area of new tracks serving high-level, ADA-accessible boarding platforms. The elevated position of these tracks and platforms will permit the efficient pre- and post-event operation of commuter rail services to and from Hoboken Yard, with connections to associated Hudson-Bergen Light Rail, and ferry services, while the main Yard is being decommissioned in preparation for an impending storm or restored after a storm event. Prior to filling the Slip, a combined Jersey City storm/sanitary sewer overflow must be extended from the Slip’s western end to its eastern end.

The filling of Long Slip will provide ancillary benefits of additional surge protection of Yard equipment and infra-structure and reduce the potential of lesser storm surges that occur on a more frequent basis.

The Hoboken Long Slip Fill and Rail Enhancement Project has two phases: Phase 1 includes the extension of the combined sewer outlet and filling of the Slip proper to the appropriate elevation and Phase 2 includes constructing the rail inter-lockings, approach span, six new tracks and three boarding platforms, and a station and crew quarters structure atop the fill.



**Proposed Project – Phases 1 and 2**

Phase 2 includes constructing the rail inter-lockings, approach span, six new tracks and three boarding platforms, and a station and crew quarters structure atop the fill.

The consultant included in this authorization request will continue progressing the preliminary design of the Hoboken Long Slip Fill and Rail Enhancement Project Phase 1 Project and, with the receipt of

the National Environmental Policy Act approval, will undertake Phase 1 Final Design, and will provide construction assistance services during the construction phase. The consultant is currently under contract with NJ TRANSIT following the completion of a competitive procurement process and prior approval of the NJ TRANSIT Board of Directors.

**ACTION (Scorecard: Customer Experience, Corporate Accountability, Financial Performance, Safety and Security)**

Staff seeks authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with URS Corporation (NJ TRANSIT Contract No. 13-001C) by \$7,045,350 for completion of Phase 1 Preliminary Design, Final Design and Construction Assistance services for the Hoboken Long Slip Fill and Rail Enhancement Project, subject to the availability of funds. The maximum task order and contract limits for this contract previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

**PURPOSE**

This authorization will allow completion of the preliminary design and advancement of final design of Phase 1 for an 1,800-foot sewer extension, the system for filling the Long Slip, and the foundation system for new tracks, platforms and station/crew quarters; and the provision of construction assistance services. Under a prior action, preliminary design for Phase 1 of the Hoboken Long Slip Fill and Rail Enhancement project was authorized and is underway.

Under this authorization, the Slip and a portion of the Yard surrounding it will be filled to support an eventual top-of-rail elevation above the FEMA BFE. The foundation design will coordinate the structural fill design with the foundation requirements for the new tracks, boarding platforms and station improvements to be placed atop the fill (and which are to be designed under a separate contract).

With this action, the total authorization for URS Corporation for Superstorm Sandy-related work will be \$8,045,350. The total 2012 Task Order Consultants Contract Program authorization will be \$130,085,350: \$33,250,000 for non-Superstorm Sandy tasks and \$96,835,350 for Superstorm Sandy tasks. A summary of the contract limits is shown in Exhibit A.

**BACKGROUND**

Hoboken Yard and the City of Hoboken suffered significant storm-surge from Superstorm Sandy on October 30, 2012, due in part to the speed with which wind-driven Hudson River water was able to travel up the Long Slip and enter the Yard, leading to more rapid and possibly deeper flooding. NJ TRANSIT required several weeks to clean and repair the Yard and reinstate revenue commuter rail service.

A former barge canal proximate to the Hoboken Terminal Yard which had served freight trains, Long Slip is an 1,800-foot long by 100-foot wide canal extending into the Hoboken Rail Yard.

Funding

On December 26, 2014, FTA announced its award of a total of \$1.27 billion to NJ TRANSIT in additional funding through a 13-state competition for five resilience projects, as follows:

NJ TRANSITGRID	\$ 409,764,814
Delco Lead Train Safe Haven Storage and Inspection Facility	\$ 184,493,910
Hoboken Long Slip Fill and Rail Enhancement	\$ 146,548,432
Raritan River Drawbridge Replacement	\$ 446,312,465
Train Controls Resilience	<u>\$ 88,903,190</u>
Total	\$1,276,022,811

Office of State Comptroller approval for this contract amendment has been requested, as required under Executive Order 125. NJ TRANSIT is working in collaboration with the Federal Transit Administration to complete a National Environmental Policy Act (NEPA) assessment.

Schedule

Phase 1 Final Design is scheduled to be complete by May 2017. Construction assistance is anticipated to be complete in 2019.

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

**FISCAL IMPACTS**

**Requested Authorizations:**

2012 Task Order Consultant	This Authorization	\$ 7,045,350	(URS Contract)
Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program)	Total Authorization	\$ 8,045,350	(URS Contract)
	Total Authorization	\$ 96,835,350	(Total Program)

**Past Authorizations:**

2012 Task Order Consultant Contracts Program

October 2012 Item 1210-48	Task Order Consultant Contracts for Corridor Planning; Environmental Consulting Services; Qualitative and Quantitative Research; Rail Operation & Infrastructure Planning; and Stations, Access & Site Planning
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December 2012 Item 1212-61	Task Order Consultant Contracts for Architectural/ Engineering; Bridge and Railway Engineering; and Travel Demand Forecasting
<b>March 2013 Item 1303-07</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$13,000,000</b>
<b>April 2013 Item 1304-12</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$8,500,000</b>
April 2013 Item 1304-14	Task Order Consultant Contracts for Construction Management
May 2013 Item 1305-21	Task Order Consultant Contracts for Community Transportation; Transit-Friendly Planning, Land Use and Development ; Vertical Transportation; and Access Link
May 2013 Item 1305-22	Super Bowl 48 Amendment to 2012 Task Order Consultant Contract
<b>August 2013 Item 1308-37</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$20,300,000</b>
<b>April 2014 Item 1404-15</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$17,600,000</b>
<b>September 2014 Item 1409-41</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$8,000,000</b>
<b>October 2014 Item 1410-45</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$290,000</b>
<b>December 2014 Item 1412-60</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$2,000,000</b>
<b>May 2015 Item 1505-10</b>	<b>Superstorm Sandy Disaster Recovery Program – Rebuild by Design Amendment to 2012 Task Order Consultant Contracts – \$8,600,000</b>
<b>June 2015 Item 1506-14</b>	<b>Superstorm Sandy Disaster Recovery Program – Rebuild by Design Amendment to 2012 Task Order Consultant Contracts – \$11,500,000</b>
<b>Total Previous (Superstorm Sandy Disaster Recovery and Resilience Program)</b>	<b>\$ 89,790,000</b>

**Expenditures to Date:** \$ 434,350 (as of 05/31/15)

**Total Project Cost:** \$ 195,397,910 (Long Slip Fill and Rail Enhancement Project)

**Capital Program Amount:** \$ 195,397,910 (Long Slip Fill and Rail Enhancement Project)

**Operating Budget Amount:** \$0

**Projected Date of Completion:** August 2016 (Phase 1 Preliminary Design)  
May 2017 (Phase 1 Final Design)  
2019 (Construction Assistance)

**Anticipated Source of Funds:** Federal Transit Administration  
Transportation Trust Fund

**PRINTS ID Number:** NJT01043

**DBE/SBE Goal:** 25% DBE

***NJ Build* Amount:** NA

**Related/Future Authorizations:** Track, Platform and Rail System Design; Construction Management; Construction

**Impact on Subsequent Operating Budgets:** None

## RESOLUTION

**WHEREAS**, the Long Slip Fill and Rail Enhancement Project will support the operation of commuter rail services to/from Hoboken Yard in anticipation of an extreme weather event and to speed recovery following such a weather event; and

**WHEREAS**, the Federal Transit Administration selected the Hoboken Long Slip Fill and Rail Enhancement Project to receive Disaster Relief Appropriations Act of 2013 funding through a competitive grant process; and

**WHEREAS**, URS Corporation is currently under contract to NJ TRANSIT following the completion of a competitive procurement process; and

**WHEREAS**, URS Corporation has been advancing preliminary design work for this project;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with URS Corporation (NJ TRANSIT Contract No. 13-001C) by \$7,045,350 for completion of Phase 1 Preliminary Design, Final Design and Construction Assistance services for the Hoboken Long Slip Fill and Rail Enhancement Project, subject to the availability of funds. The maximum task order and contract limits for this contract previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

## EXHIBIT A

## SUMMARY OF REQUESTED AUTHORIZATIONS

## 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM AMENDMENTS

Vendor	Contract No.	Additional Superstorm Sandy Disaster Recovery and Resilience Program Authorizations				Base Program Authorizations	
		Task Limit	Previous Authorizations	This Authorization	Contract Limit	Task Limit	Contract Limit
URS Corporation	13-001C	NA	\$ 1,000,000	\$ 7,045,350	\$ 8,045,350	\$ 500,000	\$ 1,500,000
BEM Systems, Inc.	13-002B	NA	\$ 6,300,000	\$ 0	\$ 6,300,000	\$ 500,000	\$ 4,000,000
Dewberry, Inc.	13-002D	NA	\$ 8,600,000	\$ 0	\$ 8,600,000	\$ 500,000	\$ 4,000,000
Parsons Brinckerhoff	13-004A	NA	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 500,000	\$ 3,000,000
Christopher P. Statile	13-005C	NA	\$ 1,250,000	\$ 0	\$ 1,250,000	\$ 400,000	\$ 1,500,000
Gannett Fleming	13-006A	NA	\$10,640,000	\$ 0	\$10,640,000	\$ 500,000	\$ 3,500,000
Jacobs Engineering	13-006B	NA	\$ 8,500,000	\$ 0	\$ 8,500,000	\$ 500,000	\$ 3,500,000
STV, Inc.	13-006C	NA	\$ 8,000,000	\$ 0	\$ 8,000,000	\$ 500,000	\$ 3,500,000
Systra, Inc.	13-006D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 500,000	\$ 3,500,000
HNTB Corporation	13-007B	NA	\$36,500,000	\$ 0	\$36,500,000	\$ 600,000	\$ 2,000,000
TranSystems, Inc.	13-007D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 600,000	\$ 2,000,000
Hill International <sup>1</sup>	13-010F	NA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 600,000	\$ 3,500,000

<sup>1</sup> Hill International was previously authorized under NJ TRANSIT Contract No. 09-085A in the amount of \$2,000,000 for Project Oversight

**ITEM 1509-33: SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM – ENVIRONMENTAL PERMITTING AND NATIONAL ENVIRONMENTAL POLICY ACT DOCUMENTATION AND OTHER SUPPORT**

**BENEFITS**

On November 5, 2014, the U.S. Department of Transportation announced that NJ TRANSIT had been selected through a competitive process to receive \$1.276 billion in Federal Transit Administration Emergency Relief Program funding to support the design and construction of five resilience projects – NJ TRANSITGRID, Delco Lead Train Safe Haven Storage and Inspection Facility, Hoboken Long Slip Fill and Rail Enhancement, Raritan River Drawbridge Replacement and Train Controls Resilience – that will allow NJ TRANSIT to better withstand and recover from extreme weather events. The award of federal funding requires that each project be evaluated under the National Environmental Policy Act (NEPA) to assess potential environmental impacts. Additionally, NJ TRANSIT must secure environmental and other permits specific to each project to satisfy federal and state regulatory requirements.

The consultant included in this authorization request will continue to support NJ TRANSIT in completing the NEPA and environmental permitting processes for the resilience projects. Additionally, the authorization will allow the consultant to support NJ TRANSIT in advancing the development of a new *Coastal Storm Surge Emergency Warning System* in collaboration with Stevens Institute of Technology. The consultant is currently under contract with NJ TRANSIT following the completion of a competitive procurement process and prior approval of the NJ TRANSIT Board of Directors.

**ACTION (Scorecard: Customer Experience, Corporate Accountability, Financial Performance, Safety and Security)**

Staff seeks authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with BEM Systems, Inc. (NJ TRANSIT Contract No. 13-002B) by \$11,500,000 for support related to NEPA documentation, environmental permitting, and development of the *Coastal Storm Surge Emergency Warning System*, subject to the availability of funds. The maximum task order and contract limits for this previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

**PURPOSE**

BEM Systems, Inc., through prior authorizations for Superstorm Sandy work, has been supporting NJ TRANSIT in NEPA documentation and the environmental permitting process. With this action, the total authorization for BEM Systems, Inc. for Superstorm Sandy-related work will be \$17,800,000. The total 2012 Task Order Consultants

Contract Program authorization will be \$141,585,350: \$33,250,000 for non-Superstorm Sandy tasks and \$108,335,350 for Superstorm Sandy tasks. A summary of the contract limits is shown in Exhibit A.

## **BACKGROUND**

### *Environmental Permitting and NEPA Documentation*

The competitive resiliency projects are in various stages ranging from conceptual to preliminary design and federal law does not permit these projects to advance to final design using federal funding until the environmental impacts have been fully documented in accordance with NEPA requirements through the preparation of a *Categorical Exclusion (CE)*, an *Environmental Assessment (EA)*, or an *Environmental Impact Statement (EIS)*.

In addition, prior to advertisement for construction, the projects must receive all required permits under state and federal law and regulations. Depending on whether they are near streams or rivers, encroach upon or require the filling of wetlands, or require construction in navigable or federal waterways, these projects may require approval by the U.S. Army Corps of Engineers, the NJ Department of Environmental Protection and/or other permitting agencies. Regulatory programs that may apply to these projects include state or federal wetlands permits, Clean Water Act permits, and Waterfront Development or Coastal Area Facility Review.

BEM Systems, Inc. will support the preparation of documentation and the assessment of projects impacts, and the development of required permit applications.

### *Coastal Storm Surge Emergency Warning System*

In February 2015, the Federal Transit Administration's Office of Research, Demonstration and Innovation selected NJ TRANSIT's proposed *Coastal Storm Surge Emergency Warning System* as a national demonstration project. When developed, the system will monitor approaching extreme weather events and storm surge threats as they may impact Hoboken Terminal and the Meadows Maintenance Complex. The system could also provide advance weather information to NJ TRANSIT's operating units to inform emergency preparation and planning activities at these locations, complementing NJ TRANSIT's existing *Comprehensive Emergency Management Plan (CEMP)*. The Davidson Laboratory at Stevens Institute of Technology will provide raw data to inform the system and BEM Systems, Inc. will develop an electronic platform to analyze and synthesize the data for use by NJ TRANSIT.

### Funding

On February 4, 2013, the U.S. Department of Transportation (USDOT) announced the availability of \$2 billion through the FTA's Emergency Relief Program to help protect, repair, reconstruct, and replace public transit equipment and facilities that were badly damaged by Superstorm Sandy. The funds were the first installment of up to \$10.9 billion appropriated to the FTA through the Disaster Relief Appropriations Act of 2013, which President Obama signed into law on January 29, 2013.

To date, NJ TRANSIT has received funding allocations from FTA in the following amounts:

Emergency and Other Repair Work Initiated Prior to 01/29/2013	\$ 144,416,559
Recovery and Restoration Projects	\$ 197,574,198
Locally Prioritized Resilience Projects	<u>\$ 106,199,045</u>
Total	\$ 448,189,802

On December 26, 2014, FTA announced its award of a total of \$1.27 billion to NJ TRANSIT in additional funding through a 13-state competition for five resilience projects, as follows:

NJ TRANSITGRID	\$ 409,764,814
Delco Lead Train Safe Haven Storage and Inspection Facility	\$ 184,493,910
Hoboken Long Slip Fill and Rail Enhancement	\$ 146,548,432
Raritan River Drawbridge Replacement	\$ 446,312,465
Train Controls Resilience	<u>\$ 88,903,190</u>
Total	\$1,276,022,811

On April 6, 2015, FTA announced that NJ TRANSIT was selected through a national completion to receive \$843,750 to support the development of the *Coastal Surge Emergency Warning System*. The 50-state competition, administered by FTA’s Office of Research Demonstration, and Innovation, sought “projects of national significance” to increase the resiliency of public transportation systems.

Office of State Comptroller approval for this contract amendment will be requested, as required under Executive Order 125.

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

**FISCAL IMPACTS**

**Requested Authorizations:**

2012 Task Order Consultant	This Authorization	\$ 11,500,000	(BEM Contract)
Contracts Program (Superstorm	Total Authorization	\$ 17,800,000	(BEM Contract)
Sandy Disaster Recovery and Resilience Program)	Total Authorization	\$ 108,335,350	(Total Program)

**Past Authorizations:**

2012 Task Order Consultant Contracts Program

October 2012 Item 1210-48	Task Order Consultant Contracts for Corridor Planning; Environmental Consulting Services;
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December 2012 Item 1212-61	Qualitative and Quantitative Research; Rail Operation & Infrastructure Planning; and Stations, Access & Site Planning Task Order Consultant Contracts for Architectural/ Engineering; Bridge and Railway Engineering; and Travel Demand Forecasting
<b>March 2013 Item 1303-07</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$13,000,000</b>
<b>April 2013 Item 1304-12</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$8,500,000</b>
April 2013 Item 1304-14	Task Order Consultant Contracts for Construction Management
May 2013 Item 1305-21	Task Order Consultant Contracts for Community Transportation; Transit-Friendly Planning, Land Use and Development ; Vertical Transportation; and Access Link
May 2013 Item 1305-22	Super Bowl 48 Amendment to 2012 Task Order Consultant Contract
<b>August 2013 Item 1308-37</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$20,300,000</b>
<b>April 2014 Item 1404-15</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$17,600,000</b>
<b>September 2014 Item 1409-41</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$8,000,000</b>
<b>October 2014 Item 1410-45</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$290,000</b>
<b>December 2014 Item 1412-60</b>	<b>Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$2,000,000</b>
<b>May 2015 Item 1505-10</b>	<b>Superstorm Sandy Disaster Recovery Program – Rebuild by Design Amendment to 2012 Task Order Consultant Contracts – \$8,600,000</b>
<b>June 2015 Item 1506-14</b>	<b>Superstorm Sandy Disaster Recovery Program – Rebuild by Design Amendment to 2012 Task Order Consultant Contracts – \$11,500,000</b>

September 2015  
Item 1509-XX

**Superstorm Sandy Disaster Recovery Program  
Amendments to 2012 Task Order Consultant  
Contracts – \$7,045,350**

**Total Previous  
(Superstorm Sandy  
Disaster Recovery and  
Resilience Program)**

**\$ 96,835,350**

**Expenditures to Date:** \$ 241,457,740 (as of 05/31/15 for total Superstorm Sandy Disaster Recovery and Resilience Program)  
\$ 3,387,840 (as of 05/31/15 for BEM Superstorm Sandy Environmental Management services)

**Total Project Cost:** Part of the Superstorm Sandy Disaster Recovery and Resilience Program

**Capital Program Amount:** \$ 11,500,000

**Operating Budget Amount:** \$0

**Projected Date of Completion:** December 2021

**Anticipated Source of Funds:** Federal Transit Administration  
Transportation Trust Fund

**PRINTS ID Number:** NJT01041  
NJT01042  
NJT01043  
NJT01044  
NJT01045  
NJT01121

**DBE/SBE Goal:** 25% DBE

**NJ Build Amount:** NA

**Related/Future Authorizations:** None

**Impact on Subsequent  
Operating Budgets:** None

## RESOLUTION

**WHEREAS**, NJ TRANSIT, through its Superstorm Sandy Disaster Recovery and Resilience Program, is advancing federally-funded projects that allow the agency to better withstand, and recover from, extreme weather events; and

**WHEREAS**, NJ TRANSIT in collaboration with Stevens Institute of Technology is also advancing a *Coastal Storm Surge Emergency Warning System* that will support storm preparedness planning; and

**WHEREAS**, BEM Systems, Inc. is currently under contract to NJ TRANSIT following the completion of a competitive procurement process; and

**WHEREAS**, BEM Systems, Inc. has been supporting NJ TRANSIT's efforts in preparing NEPA documentation, obtaining environmental permits, and designing an electronic platform to support the *Coastal Storm Surge Emergency Warning System*;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with BEM Systems, Inc. (NJ TRANSIT Contract No. 13-002B) by \$11,500,000 for support related to NEPA documentation, environmental permitting, and development of the *Coastal Storm Surge Emergency Warning System*, subject to the availability of funds. The maximum task order and contract limits for this previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

## EXHIBIT A

## SUMMARY OF REQUESTED AUTHORIZATIONS

## 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM AMENDMENTS

Vendor	Contract No.	Additional Superstorm Sandy Disaster Recovery and Resilience Program Authorizations				Base Program Authorizations	
		Task Limit	Previous Authorizations	This Authorization	Contract Limit	Task Limit	Contract Limit
URS Corporation	13-001C	NA	\$ 8,045,350	\$ 0	\$ 8,045,350	\$ 500,000	\$ 1,500,000
BEM Systems, Inc.	13-002B	NA	\$ 6,300,000	\$ 11,500,000	\$ 17,800,000	\$ 500,000	\$ 4,000,000
Dewberry, Inc.	13-002D	NA	\$ 8,600,000	\$ 0	\$ 8,600,000	\$ 500,000	\$ 4,000,000
Parsons Brinckerhoff	13-004A	NA	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 500,000	\$ 3,000,000
Christopher P. Statile	13-005C	NA	\$ 1,250,000	\$ 0	\$ 1,250,000	\$ 400,000	\$ 1,500,000
Gannett Fleming	13-006A	NA	\$ 10,640,000	\$ 0	\$ 10,640,000	\$ 500,000	\$ 3,500,000
Jacobs Engineering	13-006B	NA	\$ 8,500,000	\$ 0	\$ 8,500,000	\$ 500,000	\$ 3,500,000
STV, Inc.	13-006C	NA	\$ 8,000,000	\$ 0	\$ 8,000,000	\$ 500,000	\$ 3,500,000
Systra, Inc.	13-006D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 500,000	\$ 3,500,000
HNTB Corporation	13-007B	NA	\$ 36,500,000	\$ 0	\$ 36,500,000	\$ 600,000	\$ 2,000,000
TranSystems, Inc.	13-007D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 600,000	\$ 2,000,000
Hill International <sup>1</sup>	13-010F	NA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 600,000	\$ 3,500,000

<sup>1</sup> Hill International was previously authorized under NJ TRANSIT Contract No. 09-085A in the amount of \$2,000,000 for Project Oversight

**ITEM 1509-34: FAIR LAWN, NEW JERSEY PROPERTY: LONG-TERM LICENSE OF VACANT LAND****BENEFITS**

The licensing of an approximately two acre vacant parcel of land owned by NJ TRANSIT and known as 50 Banta Place, Block 3411, Lot 2.A, in the Borough of Fair Lawn, Bergen County, New Jersey to Blue Ridge Lumber Co., of Blairstown, New Jersey, for the storage of non-hazardous building supplies and construction material, will provide non-farebox revenue in the form of a License Fee of over \$3,000,000 to NJ TRANSIT, during the initial and option terms. Additional benefits of the License are approximately \$75,000 in capital improvements to the vacant parcel together with providing for the on-going maintenance and security of the site during the license term. NJ TRANSIT will have the right to terminate the license, upon 30-day notice, in the event that the land is needed for an alternative use. NJ TRANSIT will receive an annual fee of \$59,004 in the first year, \$84,000 in the second year, \$111,725 in the third year, plus 2.5 percent cumulative annual increases for each year of the remainder of the initial eight-year term and each year of the remaining three five-year option periods.

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

Staff seeks authorization to enter into a license with Blue Ridge Lumber Co. of Blairstown, New Jersey, for the use of an approximately two-acre vacant parcel of land known as 50 Banta Place, Block 3411, Lot 2.A, in the Borough of Fair Lawn, Bergen County, New Jersey, at an initial annual user fee of \$59,004, increasing to \$84,000 in the second year, increasing to \$111,725 in the third year, plus 2.5 percent annual increases for the remainder of the initial eight-year term and three five-year options, representing a total revenue of up to \$3,180,041 in use fees over the initial and option terms of the license.

**PURPOSE**

One of NJ TRANSIT's objectives is to maximize the value of its real estate assets while reducing maintenance costs and retaining the flexibility to preserve properties as may be needed for future transportation use. This authorization allows NJ TRANSIT to enter into a license agreement with Blue Ridge Lumber, who was selected through a competitive bid process, to use an approximately two-acre vacant parcel of land known as 50 Banta Place, Block 3411, Lot 2.A, located on the Bergen County Line at milepost 15.75 in the Borough of Fair Lawn, Bergen County, New Jersey. The initial term of the license is eight years, with three five-year options. The license would generate over \$3,180,000 in non-farebox revenue, if all options are exercised, and approximately \$75,000 in capital improvements, while retaining NJ TRANSIT's right to use the property with 30-day notice to Blue Ridge Lumber Co.



History

The property is an approximately 87,300 square foot vacant parcel known as 50 Banta Place, Block 3411, Lot 2.A, in the Borough of Fair Lawn, Bergen County, New Jersey. The property has an adjacent rail siding which provides freight access to the Bergen County Line. The property had been subject to a previous lease to Glen Rock Lumber as early as 1954. That lease terminated in September 2014, and the property was competitively bid and awarded to Blue Ridge Lumber for the continued use as a building supply yard.

Procurement

In May 2014, NJ TRANSIT advertised a Request for Proposals (RFP) to enter into a license agreement for the use of an approximately two-acre parcel of land located along the Bergen County Line at milepost 15.75, in the Borough of Fair Lawn, Bergen County, New Jersey. Proposals were due on July 15, 2014. NJ TRANSIT received proposals from two firms.

The Technical Evaluation Committee judged the proposals based on financial benefits, proposed improvements to the property, experience, and financial capability. Based on these criteria, and following negotiations, Blue Ridge Lumber was considered to be the eligible responsible proposer whose proposal, conforming to the RFP, is in the best interest of NJ TRANSIT.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	Authorization to enter into a license agreement with Blue Ridge Lumber Co. for the use of approximately two acres of vacant land at an initial annual user fee of \$59,004, increasing to \$84,000 in the second year, then \$111,725 in the third year, plus 2.5 percent annual increases for the remainder of the initial eight-year term and three five-year options representing a total revenue of up to \$3,180,041 in user fees over the initial and option terms of the license.
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<b>Past Authorizations:</b>	N/A
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<b>Expenditures to Date:</b>	N/A
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<b>Total Project Cost:</b>	N/A
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<b>Projected Date of Completion:</b>	Lease to be executed by October 2015
<b>Capital Program Amount:</b>	N/A
<b>Operating Budget Amount:</b>	N/A
<b>Anticipated Source of Funds:</b>	N/A
<b>PRINTS ID Number:</b>	N/A
<b>DBE/SBE Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	N/A
<b>Impact on Subsequent Operating Budgets:</b>	Revenue of \$59,004 in lease year one, increasing to \$84,000 in the second year, \$111,725 in the third year, plus 2.5 percent increases thereafter for the remainder of the eight-year initial term and three five-year options.

**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**, NJ TRANSIT controls a vacant parcel of land known as 50 Banta Place, Block 3411, Lot 2.A, located in the Borough of Fair Lawn, Bergen County, New Jersey; and

**WHEREAS**, Blue Ridge Lumber Co., through a competitive bid process, was selected as the eligible responsible proposer whose proposal, conforming to the RFP, is in the best interest of NJ TRANSIT;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is hereby authorized to enter into a license agreement with Blue Ridge Lumber Co. of Blairstown, New Jersey, for the use of approximately two acres of vacant land known as 50 Banta Place, Block 3411, Lot 2.A, in the Borough of Fair Lawn, Bergen County, New Jersey, at an initial annual user fee of \$59,004, increasing to \$84,000 in the second year, then \$111,725 in the third year, plus 2.5 percent annual increases for the remainder of the initial eight-year term and three five-year options representing a total revenue of up to \$3,180,041 in user fees over the initial and option terms of the license.

**ITEM 1509-35: REAL ESTATE ADMINISTRATION AND MANAGEMENT:  
AWARD OF CONSULTANT SERVICES CONTRACT FOR  
LEASES, LICENSES, USE AND OCCUPANCY PERMITS AND  
PARKING OPERATING AGREEMENTS**

**BENEFITS**

In support of NJ TRANSIT'S objective to improve business efficiencies, enhance customer experience and increase non-farebox revenue, staff is recommending the engagement of a real estate management firm, to assist in the administration and management of leases, parking operator agreements, and use and occupancy permits. NJ TRANSIT has engaged the services of a lease management firm since 2004 and revenue has increased significantly from these assets. Staff believes that these services will continue to enhance the management and administration of NJ TRANSIT real estate assets and the revenue they produce.

**ACTION (Scorecard: Safety & Security, Customer Experience, Corporate Accountability, Financial Performance)**

Staff seeks authorization to enter into NJ TRANSIT Contract No. 15-005 with Greystone & Co., Inc. (doing business as Greystone Management Solutions) of New York, New York, to provide administration and management services for leases, parking operator agreements and use and occupancy permits at an annual cost of \$665,950 for an initial period of three years with two one-year option periods, plus a one-time incentive payment of eight percent of increases in revenue from new use and occupancy permits, not to exceed \$100,000, for a total authorization of \$3,429,750, plus five percent for contingencies, subject to the availability of funds.

**PURPOSE**

NJ TRANSIT owns and operates a variety of properties and manages a portfolio of approximately 268 tenant agreements, 142 parking facilities and 1,200 use and occupancy permits generating over \$28 million in non-farebox revenue annually. Efficient management, inspection, leasing, compliance monitoring, and tracking of these agreements require considerable manpower for efficient operation. In addition, timely renewal of agreements to market rates ensures that NJ TRANSIT maximizes non-farebox revenue. The selected firm will support Real Estate in the performance of these tasks and assist in the implementation of new initiatives to improve the overall management of NJ TRANSIT'S real estate portfolio.

## **BACKGROUND**

### History

NJ TRANSIT's Real Estate and Economic Development Department ("Real Estate") performs the function of coordinating the disposition, acquisition, recordation, management and administration of real estate on behalf of NJ TRANSIT. The administration and management of these agreements, except for billing and accounting, has been performed with the assistance of a management consultant since 2004. Real Estate currently has one Manager of Property Management, Lease Negotiations and Compliance to assist the Director of Property Management in overseeing the tasks assigned to the Management Consultant. Greystone began providing tenant and parking support for NJ TRANSIT on November 1, 2004. Greystone was awarded Contract No. 04-100 through Board Item 0410-61 on October 14, 2004. During the first five-year contract term, Greystone assisted NJ TRANSIT staff in completing approximately 50 new and renewed lease agreements with a net revenue increase of approximately \$3.5 Million. NJ TRANSIT awarded Greystone a second five-year contract, Contract 09-136 through Board Item 0912-92, on December 9, 2009. During that time, annual lease revenue grew by over \$1.1 million despite adverse impacts to certain rental properties due to Superstorm Sandy and the general recessionary downturn during the contract term.

### Procurement

NJ TRANSIT issued Request for Proposal No. 15-005 for the management of tenant agreements, parking agreements and use and occupancy permits on January 27, 2015 and received proposals from two firms. A Technical Evaluation Committee ("TEC") evaluated the technical merits of each proposal with the cost proposals being evaluated separately by the Procurement Department. The overall evaluation of the proposers was weighted with 60 percent to the technical proposal and 40 percent to the cost proposal. Greystone was determined to have the highest combined score as evaluated by the Procurement Department.

Staff entered into negotiations with Greystone resulting in a Best and Final Offer ("BAFO") of \$665,950 for each year of the initial three-year term and for each of the two one-year option periods. This, along with the maximum one-time incentive payment, of eight percent of increases in revenue from new use and occupancy permits, not to exceed \$100,000, brought the maximum value of the contract to \$3,429,750 over a five-year period. On the basis of their higher score and revised BAFO, Greystone was considered to be the responsible proposer whose proposal, conforming to the RFP, is in the best interest of NJ TRANSIT.

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

## **FISCAL IMPACTS**

**Requested Authorization:** \$3,429,750 + 5% contingency

**Past Authorizations:** Board Item #0410-61, dated 10/14/04, Contract No. 04-100 for \$1,307,141 plus five percent contingencies  
Board Item #0912-92, dated 12/9/09, Contract No. 09-136 for \$2,575,000 plus five percent for contingencies  
Board Item #1503-04, dated 3/11/15, Contract No. 09-136, for \$301,000

**Expenditures to Date:** None

**Total Project Cost:** Not to exceed \$3,601,238

**Projected Date of Completion:** August 31, 2020

**Capital Program Amount:** N/A

**Operating Budget Amount:** Not to exceed \$3,601,238

**Anticipated Source of Funds:** Operating Budget

**PRINTS ID Number:** N/A

**DBE/SBE Goal:** 0%

**Related/Future Authorizations:** N/A

**Impact on Subsequent Operating Budgets:**

FY16	\$665,950
FY17	\$665,950
FY18	\$665,950
FY19	\$765,950
FY20	\$665,950

## RESOLUTION

**WHEREAS**, NJ TRANSIT owns and operates a variety of properties and manages a substantial portfolio of commercial tenant leases, licensees, parking operator accounts and use and occupancy permits; and

**WHEREAS**, in support of NJ TRANSIT'S objective to increase business efficiencies and increase non-farebox revenue, staff is recommending continuing the engagement of a real estate management firm to assist in the administration and management of tenant, parking and use and occupancy agreements; and

**WHEREAS**, following the completion of a competitive procurement process, Greystone & Co., Inc., doing business as Greystone Management Solutions, was determined to be the highest-ranked proposer;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 15-005 with Greystone & Co., Inc. (doing business as Greystone Management Solutions) of New York, New York, to provide administration and management services for leases, parking operator agreements and use and occupancy permits at an annual cost of \$665,950 for an initial period of three years with two one-year option periods, plus a one-time incentive payment of eight percent of increases in revenue from new use and occupancy permits, not to exceed \$100,000, for a total authorization of \$3,429,750, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1509-36: NORTH BERGEN PARK AND RIDE - NJ TRANSIT/PORT AUTHORITY OF NEW YORK & NEW JERSEY LEASE AMENDMENT**

**BENEFITS**

Entering into a lease amendment to an existing 2008 Agreement of Lease with The Port Authority of New York and New Jersey ("PANYNJ"), for the continued utilization of the North Bergen Park and Ride facility at an established rent with - an annual escalation rate of 1.5 percent will continue to benefit approximately 1,500 daily commuters who park at, and take buses to New York City from this facility. Because the 13.87 acre North Bergen Park and Ride facility is proximate to Routes 3, 1 & 9, 495, and the Lincoln Tunnel, buses operating from the facility utilize dedicated bus lanes within the Lincoln Tunnel for efficient public transportation, as part of the Interstate Transportation Network.

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

Staff seeks authorization to execute a lease amendment to an existing Agreement of Lease with the PANYNJ for continued use of the North Bergen Park and Ride facility. The lease amendment reduces the amount otherwise due under the lease and establishes an annual rent payment to be made by NJ TRANSIT to the PANYNJ in the amount of \$875,000, for a total not to exceed authorized amount of \$2,664,552, effective July 1, 2015, with an annual escalation rate of 1.5 percent. All other terms of the 2008 Agreement of Lease are to remain in place. The agreement will expire in 2018.

**PURPOSE**

Executing a lease amendment will allow NJ TRANSIT commuters and NJ TRANSIT Bus Operations personnel to continue utilizing the North Bergen Park and Ride facility as part of the region's Interstate Transportation Network at an established rent and escalator, facilitating the efficient, economical, and convenient mass transportation of commuting customers between New Jersey and New York.

**BACKGROUND**

Recognizing the North Bergen Park and Ride facility's strategic location proximate to high density commuter markets of Hudson and Bergen counties, and the facility's proximity to the Lincoln Tunnel and Routes 3, 1 & 9, and 495, NJ TRANSIT's predecessor entities commenced utilizing the North Bergen Park and Ride facility in 1955. NJ TRANSIT currently operates 180 weekday bus trips via the #320 line from the North Bergen Park and Ride facility to New York City, with peak service operating every six minutes. NJ TRANSIT entered into a five-year lease with PANYNJ in 2008 for the

continued use of the property, and exercised a five-year option extending the lease until 2018.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	Authorization to enter into a lease amendment that establishes an annual rent payment to be made by NJ TRANSIT to the PANYNJ in the amount of \$875,000, effective July 1, 2015, with an annual escalation rate of 1.5 percent. Total authorization is not to exceed \$2,664,572 for use through term of the Agreement of Lease.
<b>Past Authorization:</b>	N/A
<b>Expenditures to Date:</b>	Approximately \$3,642,424 since 2008
<b>Total Project Cost:</b>	N/A
<b>Projected Date of Completion:</b>	N/A
<b>Capital Program Amount:</b>	N/A
<b>Operating Budget Amount:</b>	Not to exceed \$2,664,572
<b>Anticipated Source of Funds:</b>	Operating
<b>PRINTS ID Number:</b>	N/A
<b>DBE/SBE Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	TBD
<b>Impact on Subsequent Operating Budgets:</b>	FY 2016 - \$875,000 FY 2017 - \$888,125 FY 2018 - \$901,447

**RESOLUTION**

**WHEREAS**, NJ TRANSIT and its predecessors have utilized the North Bergen Park and Ride facility since 1955; and

**WHEREAS**, NJ TRANSIT entered into an Agreement of Lease for the North Bergen Park and Ride facility in 2008; and

**WHEREAS**, NJ TRANSIT and the PANYNJ have established rent and escalator amendments to the 2008 Agreement of Lease;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is hereby authorized to execute a lease amendment to an existing Agreement of Lease with the PANYNJ for continued use of the North Bergen Park and Ride facility. The lease amendment reduces the amount otherwise due under the lease and establishes an annual rent payment to be made by NJ TRANSIT to the PANYNJ in the amount of \$875,000, for a total not to exceed authorized amount of \$2,664,552, effective July 1, 2015, with an annual escalation rate of 1.5 percent. All other terms of the 2008 Agreement of Lease are to remain in place. The agreement will expire in 2018.

**ITEM 1509-37: REGULATIONS: RULE-MAKING PROCESS PROPOSED READOPTION WITH AMENDMENTS TO N.J.A.C. 16:86 ADVERTISING STANDARDS**

**BENEFITS**

The licensing of outdoor advertising displays on billboards and advertising structures located within NJ TRANSIT's right-of-way, facilities, structures and properties provides significant annual guaranteed non-farebox revenue to NJ TRANSIT to help underwrite and subsidize operating expenses. The responsible display of aesthetically appropriate advertising and structures within NJ TRANSIT's right-of-way, facilities, structures and properties is a vital component in NJ TRANSIT's efforts to leverage private sector revenues for the benefit of commuters and is consistent with the nationwide use of transit facilities for advertising messages. This item is intended to re-promulgate regulations at N.J.A.C. 16:86 which will provide guidance concerning advertising on NJ TRANSIT's property.

Staff reviewed the current regulations and determined that the rules are necessary, adequate, reasonable, efficient, understandable and responsible for the purposes for which they were originally promulgated and should be readopted, with the proposed amendments. Under the proposed amended rules, NJ TRANSIT will not accept advertisements that: disparage the services of NJ TRANSIT; demean or disparage an individual, group of individuals or entity; promote or oppose a political party; express or advocate an opinion, position or viewpoint on matters of public debate about economic, political, moral, religious, or social issues; or encourage or depict unsafe behavior with respect to NJ TRANSIT-related activities. Additionally, the amendment proposes to expand prohibition of advertisements for "tobacco and tobacco-related products" to explicitly include electronic cigarettes and expand "property owned by NJ TRANSIT" to include electronic and digital equipment and media. The text of the proposed readopted and amended regulations is shown in Exhibit A.

**ACTION (Scorecard: Corporate Accountability, Customer Experience, Safety and Security, Financial Performance)**

Staff seeks authorization to initiate the rule-making process for the readoption of the regulations, N.J.A.C. 16:86 et seq., Advertising Standards, consistent with this Board item and Exhibit A.

**PURPOSE**

Authorization to initiate the rule-making process for these amended regulations will advance efforts to reestablish and enhance guidelines and procedures which govern NJ TRANSIT's outdoor advertising program.

**BACKGROUND**

NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979 (N.J.S.A. 27:25-1 et seq.) as the instrumentality of the State of New Jersey to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner. Since 1980, NJ TRANSIT has been contracting with advertising firms to display revenue-producing advertising on NJ TRANSIT property, including bus and rail equipment, railroad stations and platforms and land leases for billboards.

This item has been reviewed and recommended by the Board Administration Committee.

**FISCAL IMPACTS**

**Requested Authorization:** Initiate the rule-making process for the readoption with amendments the regulations N.J.A.C. 16:86

**Past Authorizations:**

March 1997 Item 9703-21	Regulations: Advertising Standards for NJ TRANSIT
April 2003 Item 0402-26	Regulations: Advertising Standards for New Jersey Transit Corporation (NJ TRANSIT)
October 2008 Item 0810-75	Regulations: Readoption with Amendments to N.J.A.C. 16:86 Advertising Standards

**Expenditures to Date:** N/A

**Total Project Cost:** N/A

**Projected Date of Completion:** N/A

**Capital Program Amount:** N/A

**Operating Budget Amount:** N/A

**Anticipated Source of Funds:** N/A

**Prints ID Number:** N/A

**DBE/SBE Goal:** N/A

***NJ Build* Amount:** N/A

**Related/Future Authorization:** Adoption of Regulations

**Impacts on Subsequent  
Operating Budgets:** N/A

## RESOLUTION

**WHEREAS**, NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979 (N.J.S.A. 27:25-1 et seq.) as the instrumentality of the State of New Jersey to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner; and

**WHEREAS**, NJ TRANSIT determined that it is necessary to provide standards for the installation, display and maintenance of advertising on properties and facilities owned or operated by NJ TRANSIT and its subsidiaries; and

**WHEREAS**, the regulations will provide direction concerning advertising on NJ TRANSIT's property, and limit certain types of advertising on NJ TRANSIT property; and

**WHEREAS**, staff reviewed the current regulation and determined that the rules are necessary, adequate, reasonable, efficient, understandable and responsible to the purposes for which they were originally promulgated, and should be readopted with the proposed amendments; and

**WHEREAS**, these amended rules will advance the guidelines and procedures which govern NJ TRANSIT's outdoor advertising program;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to take all actions necessary to initiate the rule-making process for the readoption of the regulations, N.J.A.C. 16:86 et seq., Advertising Standards, consistent with this Board item and Exhibit A.

TRANSPORTATION

NEW JERSEY TRANSIT CORPORATION

ADVERTISING STANDARDS

Proposed Readoption with Amendments: N.J.A.C. 16:86

Authorized By: New Jersey Transit Corporation  
Veronique Hakim, Executive Director

Authority: N.J.S.A. 27:25-5 and 27:25-6

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number:

Submit Comments by \_\_\_\_\_ to:

Joyce Zuczek  
New Jersey Transit Corporation  
One Penn Plaza East  
Newark, NJ 07105  
Email: [jzuczek@njtransit.com](mailto:jzuczek@njtransit.com)

The agency proposal follows:

Summary

In accordance with the sunset provisions of Executive Order No. 66 (1978), New Jersey Transit Corporation (NJ TRANSIT) has evaluated the rules at N.J.A.C. 16:86, Advertising Standards for New Jersey Transit Corporation, scheduled to expire on October 20, 2015, pursuant to N.J.S.A. 52:14B-5.1c, and has determined that they are

necessary, adequate, reasonable, efficient, understandable and responsive to the purposes for which they were originally promulgated.

Since 1980, NJ TRANSIT has contracted, either directly or indirectly, with advertising firms and other companies to display revenue producing advertising on NJ TRANSIT's property, including, but not limited to, its bus and rail equipment, railroad stations and platforms and land leases for billboards. The firms advertise their clients' products and services on NJ TRANSIT property. NJ TRANSIT property on which revenue producing advertising can be placed includes an existing inventory of approximately 3,605 buses (including Access Link, Vanpool and private carriers operating NJ TRANSIT-owned buses), 1,113 rail commuter cars, 93 light rail vehicles, 227 rail and light rail stations, 30 bus stations, 687 railroad bridges, 544 miles of active and inactive railroad right of way and 108 miles of light rail right of way throughout the State as well as through electronic media. These vehicles and properties offer thousands of interior and exterior spaces of various sizes for the display of advertising in a variety of media forms, including, but not limited to, framed and unframed posters, clocks, light pole banners, freestanding signs and painted bridges and digital display. As NJ TRANSIT acquires or disposes of assets, or develops new advertising media platforms, the advertising inventory of NJ TRANSIT fluctuates. In fiscal year 2014, such advertising produced approximately \$19 million in non-farebox revenue.

The proposed readoption with amendments at N.J.A.C. 16:86 sets forth limitations for advertisements and a procedure for NJ TRANSIT, its advertising contractors and the

advertiser to follow in determining whether a particular advertisement may be placed on NJ TRANSIT's property.

A summative review of each of the subchapters follows:

Subchapter 1, General Provisions, includes the purpose and scope of the chapter and the limitations upon advertisements.

Subchapter 2, Procedures, establishes an Advertising Standards Committee to make NJ TRANSIT's final agency determinations, describes the procedure for the review of advertisements, and the procedure for dispute resolution.

Subchapter 3, Severability, describes the applicability of any remaining categories set forth in subchapter two if any category is determined to be invalid.

#### Social Impact

NJ TRANSIT, in its agreements with advertising contractors, has in the past reserved the right to disapprove any advertisement on its property. NJ TRANSIT has been imposing limitations informally since it was created in 1979 and rules since 1997 and they are well known to advertising agencies and advertisers. NJ TRANSIT believes all of these limitations are consistent with all applicable laws and policies.

The rules proposed for readoption with amendments at N.J.A.C. 16:86 have been amended as follows:

- Expand the purpose to include enhancing non-farebox revenue and maintaining a professional advertising environment by promoting the security, safety, comfort and convenience of NJ TRANSIT customers;
- Expand prohibition of “tobacco and tobacco-related products” to explicitly include electronic cigarettes;
- Expand property owned by NJ TRANSIT to include electronic and digital equipment and media;
- Re-define “advertising firm” to be “advertising contractor or advertising sales entity (collectively “advertising provider”);
- Provide the Board Office as the address for an advertiser to submit a grievance;
- Section 9 is proposed to be expanded, to prohibit an advertisement that “disparages the services of NJ TRANSIT or is not in the best interest of public transportation”;
- Section 10 is proposed to prohibit an advertisement that demeans or disparages an individual, group of individuals, or entity;
- Section 11 is proposed to prohibit an advertisement that promotes or opposes a political party, the election of a candidate, or any group of candidates for federal, state or local government offices, or initiatives, referendums or other ballot measures;
- Section 12 is proposed to prohibit advertisements that encourage or depict unsafe behavior with respect to NJ TRANSIT property or services; and

- Section 13 is proposed to prohibit advertisements that express or advocate an opinion, position or viewpoint on matters of public debate about economic, political, moral, religious or social issues.

The amendments will further NJ TRANSIT's role as a responsible member of the community.

#### Economic Impact

NJ TRANSIT has been imposing limitations informally since it was created in 1979 and by rules since 1997 and they are well known to advertising agencies and advertisers. In fiscal year 2014, NJ TRANSIT received approximately \$19 million in non-farebox revenue by allowing advertising on its property. The rules proposed for readoption with amendments will have no impact on the amount of funds NJ TRANSIT receives from State and Federal sources or the fares it receives from its customers.

The rules proposed for readoption with amendments at N.J.A.C. 16:86 should not have an economic impact since the amendments clarify standards already implemented on a daily basis under the current provision banning advertisements not in the best business interest of NJ TRANSIT or not in the best interest of public transportation.

#### Federal Standards Statement

There are no Federal standards that are relevant to the proposed readoption with amendments. As the owner of its property, NJ TRANSIT may impose reasonable restrictions on commercial speech displayed on its sold advertising space.

Jobs Impact

The rules proposed for readoption with amendments will not result in the creation or loss of jobs.

Agricultural Impact Statement

The rules proposed for readoption with amendments have no impact on the agriculture industry.

Regulatory Flexibility Analysis

The proposed readoption with amendments applies to advertisements proposed to be placed on NJ TRANSIT property. NJ TRANSIT's advertisers may be small businesses as the term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The rules permit an advertiser to request a review of an advertisement to determine if it is prohibited under N.J.A.C. 16:86-1.2. A dispute under these rules may be grieved in writing to the Committee; if a factual dispute exists, it shall be transmitted to the Office of Administrative Law as a contested case. Costs for these procedures should not be significant, although they will vary based on the circumstances of the grievance and whether the advertiser decides to employ attorney representation. No different treatment has been provided for small businesses. The rules provide for equal treatment of advertisers whether large or small, in the interest of fairness to all.

### Housing Affordability Impact Analysis

NJ TRANSIT does not anticipate any impact on housing affordability as a result of the proposed readoption with amendments. The proposed readoption with amendments governs the display of advertisements on NJ TRANSIT facilities, vehicles, equipment, including electronic and digital equipment and media and other property owned or controlled by NJ TRANSIT or its subsidiaries. As such, the proposed readoption with amendments will have no effect on housing units or on the average cost of housing.

### Smart Growth Development Impact Analysis

The rules proposed for readoption with amendments have no impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Full text of the rules may be found in the New Jersey Administrative Code at 16:86.

Full text of the proposed amendments follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

#### SUBCHAPTER 1. GENERAL PROVISIONS

##### 16:86-1.1 Purpose

- (a) The purpose of these rules is to enhance and maximize NJ TRANSIT's non-farebox revenues through advertising revenue by encouraging and maintaining a professional advertising environment that helps promote the security, safety,

# DRAFT

## EXHIBIT A

- (a) comfort, and convenience of NJ TRANSIT's customers. Towards that end, these rules prohibit advertisements that contain or depict tobacco and tobacco-related products, including electronic cigarettes, and advertisements that are obscene, false, political in nature, disparaging, unsafe, controversial, deceptive, or misleading or promote illegal goods, services or activities on facilities, vehicles, equipment, including electronic and digital equipment and media, and other property (collectively, "property") owned or controlled by the New Jersey Transit Corporation or its subsidiaries (collectively "NJ TRANSIT")
- (b) This chapter sets forth the standards for the installation, display and maintenance of advertising on property[ ]owned or controlled by NJ TRANSIT.
- (c) The display of advertising on property owned or controlled by NJ TRANSIT does not constitute an endorsement by NJ TRANSIT of any of the products, services or messages so advertised, unless authorized in writing by NJ TRANSIT and so stated within the advertisement.

### 16:86-1.2 Limitation upon Advertisements

- (a) No advertisement located on property owned or controlled by NJ TRANSIT shall be displayed or maintained that falls within one or more of the following categories:
1. The advertisement includes information that is false, misleading or deceptive;

2. The advertisement or information contained in it promotes unlawful or illegal goods, services or activities;
3. The advertisement or information contained therein declares or implies an endorsement by NJ TRANSIT of any service, product or point of view without prior written authorization of NJ TRANSIT;
4. The advertisement contains obscene material as defined by N.J.S.A. 2C:34-3 as such definition may be amended, modified or supplemented from time to time;
5. The advertisement portrays graphic violence;
6. The advertisement displays weapons that appear to be aimed or pointed at the viewer or observer in a menacing manner;
7. The advertisement is controversial and, therefore, can promote vandalism of advertising materials and associated NJ TRANSIT property;
8. The advertisement proposes the use of or promotes tobacco or tobacco-related products, including electronic cigarettes;
9. The advertisement disparages the services of NJ TRANSIT or is not in the best interest of public transportation;

10. The advertisement contains material that demeans or disparages an individual, group of individuals, or entity;
11. The advertisement promotes or opposes a political party, the election of a candidate or any group of candidates for federal, state or local government offices, or initiatives, referendums or other ballot measures;
12. The advertisement encourages or depicts unsafe behavior with respect to NJ TRANSIT property or services;
13. The advertisement expresses or advocates an opinion, position or viewpoint on matters of public debate about economic, political, moral, religious, or social issues.

## SUBCHAPTER 2. PROCEDURES

### 16:86.2.1 Advertising Standards Committee

The Executive Director shall establish a three member advertising standards committee (comprised of representatives from Real Estate, Communications and Government & External Affairs. Such committee shall be independent and its determination shall constitute NJ TRANSIT's final agency determinations.

### 16:86-2.2 Review Of Advertisements

- (a) NJ TRANSIT's advertising contractor or advertising sales entity (collectively "advertising provider") shall review each advertisement submitted for installation, display and maintenance on NJ TRANSIT property to determine whether the

advertisement falls within, or may fall within, one or more of the categories set forth in 16:86-1.2. NJ TRANSIT may also review such advertisement for compliance with 16:86-1.2. If NJ TRANSIT or its advertising provider determines that an advertisement falls within or may fall within one or more of the categories set forth in N.J.A.C. 16:86-1.2:

1. The NJ TRANSIT advertising provider shall promptly provide the advertiser with a copy of these standards and written notice of the determination, the reason(s) for the determination and the advertiser's right to request a prompt review before the committee.
2. The NJ TRANSIT advertising provider shall provide the committee with a copy of the written notice to the advertiser and the advertisement at issue.
3. Upon request of the advertiser, the committee shall conduct a prompt review to determine whether the advertisement at issue falls within one or more of the categories set forth in 16:86-1.2.
4. The committee shall promptly provide the advertiser and the advertising provider with a written notice of its determination. The committee's determination shall be final as per 16:86-2.1.

16:86-2.3 Dispute Resolution

An aggrieved party wishing to challenge a decision of the advertising provider shall transmit its grievance in writing to the committee at NJ TRANSIT, Board Office, One Penn Plaza East, Newark, New Jersey 07105. If no factual issues are presented, the decision by the committee shall constitute the final agency action of NJ TRANSIT and shall be appealable to the Appellate Division of the Superior Court. In the event of a dispute of the facts, the committee shall within 45 days transmit the matter for the development of a record and an initial decision by the Office of Administrative Law in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. The committee shall then render a final agency decision appealable to the Appellate Division of the Superior Court of New Jersey.

SUBCHAPTER 3. SEVERABILITY

16:86-3.1 Severability

If any category set forth in N.J.A.C. 16:86-1.2 is determined to be invalid as applied to any particular type of NJ TRANSIT property, the category shall remain applicable to other types of NJ TRANSIT property. If any category set forth in N.J.A.C. 16:82-1.2 is determined to be invalid as applied to all NJ TRANSIT property, the remaining categories shall remain valid.

**ITEM 1509-38: REGULATIONS: PROPOSED ADOPTION OF NEW RULE  
N.J.A.C. 16:89 FERRY CAPITAL IMPROVEMENT PROGRAM  
GUIDELINES AND PROCEDURES**

**BENEFITS**

Passenger ferry service is an integral part of the trans-Hudson transportation network, providing intermodal connections with public transit at several locations and offering additional trans-Hudson capacity that supplements NJ TRANSIT rail and bus service, as well as provides relief to the PATH system. NJ TRANSIT works closely with ferry operators to procure capital improvements and equipment for the operation of ferry passenger service.

Since 2007, NJ TRANSIT has received the benefit of increased federal funding by including the reported private ferry mileage in its annual submission to the National Transit Database (NTD) of the Federal Transit Administration (FTA). Through this reporting, ferry operators have been generating FTA formula funding under the 5307 and 5337 programs based on mileage credits. NJ TRANSIT believes it is in the best interest of the overall transportation network to apply a portion of the funds received toward capital acquisitions and infrastructure improvements that benefit ferry operations and improved customer service, subject to the requirements set forth in the proposed rules. This framework is consistent with the existing rules applicable to NJ TRANSIT's Private Bus Carriers.

The Ferry Capital Improvement Program will provide needed capital improvements enabling the participating operators to acquire, replace and rehabilitate ferries and other capital equipment and make ferry facility improvements. These rules would benefit the riding public by sustaining the availability of affordable mass transit service. In addition, by reducing the need of private ferry operators to use financial resources for capital requirements and by making mass transit more attractive, the improvements and equipment provided may serve to hold down fares and contribute to increasing ridership. The provision of newer equipment may also result in less need for financial subsidies, thus benefiting taxpayers of the State.

The proposed new rules provide reasonable standards for the allocation of Ferry Capital Improvement Program funding to private ferry operators for the procurement of capital improvements and equipment. The general purpose of NJ TRANSIT's Ferry Capital Improvement Program is to provide assistance to private ferry operators in acquiring capital improvements and equipment to improve Ferry Passenger Service. The rules are designed to allocate Ferry Capital Improvement funds in a manner that is consistent with the provision of an efficient, effective, coordinated and coherent public transportation system. The public benefit from the provision of capital improvements to private ferry operators for the provision of Ferry Passenger Service is significant. The procedures delineated in the rules will protect the interests of the riding public, the taxpayers of New Jersey and the individual ferry operators who are eligible to participate in the Ferry Capital Improvement Program.

**ACTION (Scorecard: Corporate Accountability, Customer Experience)**

Staff seeks authorization to take all actions necessary to adopt a new rule at N.J.A.C. 16:89 et seq., Ferry Capital Improvement Program Guidelines and Procedures, consistent with this Board item and exhibits, put the regulations in the appropriate format and to take all other actions necessary to effectuate the final adoption and promulgation of NJ TRANSIT’s Ferry Capital Improvement Program.

**PURPOSE**

To adopt regulations that will establish guidelines and procedures to govern the program requirements for capital improvements to private ferry operators for the operation of passenger ferry service.

**BACKGROUND**

NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979 (N.J.S.A. 27:25-1 et seq.) as the instrumentality of the State of New Jersey to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner. While authorized to operate ferry passenger service, NJ TRANSIT recognizes the important contribution of private ferry systems to the State’s transportation network, in terms of maximizing trans-Hudson capacity and helping to meet future ridership growth. In addition, NJ TRANSIT’s heavy reliance on ferries in the aftermath of Superstorm Sandy demonstrated that the ferry network is critical to maintaining trans-Hudson mobility.

One of the programs by which NJ TRANSIT fulfills this responsibility is through working closely with ferry operators to procure capital improvements and equipment for the operation of Ferry Passenger Service. This new rule is designed to provide guidelines and procedures governing the procurement of capital improvements and equipment for private ferry operators pursuant to N.J.S.A. 27:25-5(h) and (k).

The proposed new rule was published in the New Jersey Register on May 4, 2015 (Exhibit A). The comment period expired on July 3, 2015, and no comments were received.

This item has been reviewed and recommended by the Board Administration Committee.

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	Adopt regulations <u>N.J.A.C. 16:89 et seq.</u>
<b>Past Authorizations:</b>	N/A
<b>Expenditures to Date:</b>	N/A

<b>Total Project Cost:</b>	N/A
<b>Projected Date of Completion:</b>	N/A
<b>Capital Program Amount:</b>	N/A
<b>Operating Budget Amount:</b>	N/A
<b>Anticipated Source of Funds:</b>	N/A
<b>PRINTS ID Number:</b>	N/A
<b>DBE/SBE Goal:</b>	N/A
<b><i>NJ Build</i> Amount:</b>	N/A
<b>Related/Future Authorizations:</b>	N/A
<b>Impacts on Subsequent Operating Budgets:</b>	N/A

## RESOLUTION

**WHEREAS**, NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979 (N.J.S.A. 27:25-1 et seq.) as the instrumentality of the State of New Jersey to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner; and

**WHEREAS**, NJ TRANSIT recognizes the important contribution of private ferry systems to the State's transportation network, in terms of maximizing trans-Hudson capacity and helping to meet future ridership growth; and

**WHEREAS**, one of the programs by which NJ TRANSIT fulfills this responsibility is through working closely with ferry operators to procure capital improvements and equipment for the operation of Ferry Passenger Service; and

**WHEREAS**, the Ferry Capital Improvement Program will provide needed capital improvements enabling the participating operators to acquire, replace and rehabilitate ferries and other capital equipment and make ferry facility improvements; and

**WHEREAS**, this new rule is designed to provide guidelines and procedures governing the procurement of capital improvements and equipment for private ferry operators pursuant to N.J.S.A. 27:25-5(h) and (k); and

**WHEREAS**, the proposed new rule was published in the New Jersey Register on May 4, 2015 (Exhibit A). The comment period expired on July 3, 2015, and no comments were received;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to take all actions necessary to adopt a new rule at N.J.A.C. 16:89 et seq., Ferry Capital Improvement Program Guidelines and Procedures, consistent with this Board item and exhibits, put the regulations in the appropriate format and to take all other actions necessary to effectuate the final adoption and promulgation of NJ TRANSIT's Ferry Capital Improvement Program.

**EXHIBIT A**

**PROPOSALS**

**TRANSPORTATION**

(a)

**NEW JERSEY TRANSIT CORPORATION**

**Ferry Capital Improvement Program**

**Proposed New Rules: N.J.A.C. 16:89**

Authorized By: New Jersey Transit Corporation, Veronique Hakim,  
Executive Director.

Authority: N.J.S.A. 27:25-5.e, h, and k, and 27:25-6.b.

Calendar Reference: See Summary below for explanation of  
exception to calendar requirement.

Proposal Number: PRN 2015-046.

Submit comments by July 3, 2015, to:

Joyce J. Zuczek  
New Jersey Transit Corporation  
One Penn Plaza East  
Newark, NJ 07105-2246  
E-mail: [commentsonruleferrycapitalimprovementprogram@  
njtransit.com](mailto:commentsonruleferrycapitalimprovementprogram@njtransit.com)

The agency proposal follows:

**Summary**

The proposed new rules will govern the program requirements for the capital improvement to private ferry operators for the operation of ferry passenger service.

NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979, N.J.S.A. 27:25-1 et seq., as the instrumentality of the State of New Jersey to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner. One of the programs by which NJ TRANSIT fulfills this responsibility is through working closely with ferry operators to procure capital improvements and equipment for the operation of ferry passenger service.

The proposed new rules are designed to govern the procurement of capital improvements (including, but not limited to, certain revenue and non-revenue generating equipment), for private ferry operators pursuant to N.J.S.A. 27:25-5.h and k. Subchapter 1 sets forth the general provisions, purpose, and definitions pertaining to the establishment of a capital improvement program for private ferry operators. Subchapter 2 sets forth criteria to be followed in determining the eligibility of private ferry operators and the ferry passenger services operated by these operators for participation in the Ferry Capital Improvement Program, and the procedure to be used to handle the request of an operator for a determination of eligibility. Subchapter 3 sets forth the procedures to be used to determine the allocation of funds to operators and governs the expenditure of Ferry Capital Improvement Program funds. Subchapter 4 describes the requirements for an agreement between NJ TRANSIT and the operator for the purchase of capital improvements. Subchapter 5 governs the retirement of capital improvements and equipment and disposal procedures.

NJ TRANSIT has determined that the comment period for this notice of proposal shall be 60 days; therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, this notice of proposal is excepted from the rulemaking calendar requirement.

**Social Impact**

The proposed new rules provide reasonable standards for the allocation of Ferry Capital Improvement Program funding to private ferry operators for the procurement of capital improvements and equipment. The general purpose of NJ TRANSIT's Ferry Capital Improvement Program is to provide assistance to private ferry operators in acquiring capital improvements and equipment to improve ferry passenger service. The rules are designed to allocate Ferry Capital Improvement Program funds in a manner that is consistent with the provision of an efficient, effective, coordinated, and coherent public transportation system. There may be some situations where the funds are not allocated to some operators because the expenditure of public funds for such operators is not consistent with sound transportation policy. The public benefit from

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## TRANSPORTATION

the provision of capital improvements to private ferry operators for the provision of ferry passenger service is significant. The procedures delineated in the rules will protect the interests of the riding public, the taxpayers of New Jersey, and aid the individual ferry operators who are eligible to participate in the Ferry Capital Improvement Program.

**Economic Impact**

The primary economic impact of the proposed new rules is on the riding public by sustaining the availability of affordable mass transit service. By reducing the need of private ferry operators to use financial resources for capital requirements and by making mass transit more attractive, the improvements and equipment provided may serve to hold down fares and contribute to increasing ridership. The Ferry Capital Improvement Program will provide needed funding to procure capital improvements, thus enabling the participating operators to acquire, replace, and rehabilitate ferries and other capital equipment and make ferry facility improvements. The specific economic benefits to the operators that may participate in the Ferry Capital Improvement Program cannot be calculated at this time. Operators choosing to participate in the program will incur administrative costs associated with the preparation of the operator's request for the expenditure of funds and in submitting mileage statistics.

**Federal Standards Statement**

The proposed new rules are not subject to any Federal standards and, therefore, a Federal standards analysis is not required.

**Jobs Impact**

NJ TRANSIT does not anticipate that implementation of the proposed new rules will result in the generation or loss of jobs in the State.

**Agricultural Impact Statement**

The proposed new rules have no impact on the agriculture industry.

**Regulatory Flexibility Analysis**

The proposed new rules apply to entities who qualify as a private ferry operator that operates ferry passenger service and who wish to participate in the program and receive capital improvements and equipment from NJ TRANSIT for use in the operation of ferry passenger services. Some of these entities may be small businesses as the term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed new rules impose recordkeeping and reporting requirements. Professional services are not required to comply with the proposed new rules. The compliance requirements, that is, obtaining necessary governmental approvals to run ferry passenger service, providing annual required certifications for 49 U.S.C. § 5335(a), and having the ability to maintain equipment of advanced design and technological complexity, may be satisfied by the operators and their existing staff without the need for any additional professional services. An operator choosing to appeal a decision may hire an attorney, but is not required to do so. No different treatment has been provided for small businesses. The rules provide for equal treatment of businesses in the process, whether large or small, in the interests of public safety.

**Housing Affordability Impact Analysis**

NJ TRANSIT does not anticipate any impact on housing affordability as a result of the proposed new rules. The proposed new rules govern the provision of funding for capital improvements to private ferry operators for the operation of ferry passenger service. As such, the proposed new rules will have no effect on housing units or on the average cost of housing.

**Smart Growth Development Impact Analysis**

NJ TRANSIT does not anticipate any impact on the implementation of the State Development and Redevelopment Plan in New Jersey as a result of the proposed new rules. The proposed new rules govern the provision of funding for capital improvements to ferry operators for the operation of ferry passenger service. The proposed new rules will have no effect on affordable housing or on housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed new rules will increase transportation options and transit availability, and reduce automobile traffic and dependency.

Full text of the proposed new rules follows:

CHAPTER 89  
FERRY CAPITAL IMPROVEMENT PROGRAM

## SUBCHAPTER 1. GENERAL PROVISIONS

## 16:89-1.1 Purpose

(a) NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979, N.J.S.A. 27:25-1 et seq., as the instrumentality of the State government to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner. While pursuant to N.J.S.A. 27:25-5.h, NJ TRANSIT is authorized to operate ferry passenger service, it recognizes the important contribution of private ferry systems in the State's transportation network. As NJ TRANSIT receives the benefit of increased Federal funding by including private ferry mileage statistics in its annual submission to the National Transit Database of the Federal Transit Administration, NJ TRANSIT believes it is prudent public policy to establish a program to invest State of New Jersey funds for capital acquisitions and infrastructure improvements for ferry operators.

(b) This chapter is designed to provide procedures pursuant to which NJ TRANSIT will allocate funding for capital improvements to operators under a Ferry Capital Improvement Program.

## 16:89-1.2 Definitions

The following words and terms, as used in this chapter, shall have the following meanings:

"Affiliate" means any individual, company, proprietorship, corporation, agency, trust, or partnership where, by reason of the relationship of such entity with the operator (whether by reason of the method of, or circumstances surrounding, organization or operation, or whether established through common directors, officers, stockholders, a voting trust or trusts, a holding or investment company or companies, family relationships, or any other direct or indirect means), there is a reason to believe that the affairs of the operator may be managed in the interest of such individual, company, proprietorship, corporation, agency, trust, or partnership.

"Capital improvements" shall mean, in connection with ferry passenger service, ferries and their constituent mechanical systems (including, without limitation, engines, propulsion systems, structures, HVAC systems, and seat/cover replacements) and necessary land-side improvements (including, without limitation, ferry terminals, approach roadways, pedestrian accommodations, parking, docks, ramps). In addition, capital improvements include: electronic farebox or other revenue collection equipment, radios and related equipment, revenue equipment (including, without limitation, buses providing connections to ferry passenger service), and non-revenue equipment, (including, without limitation, maintenance facilities and equipment).

"Capital maintenance" shall mean in relation to public transportation projects, the direct cost of any work necessary for preserving or maintaining the useful life of public transportation projects, provided the work is associated with the acquisition, installation, and/or rehabilitation of components, which are not included in the normal operating maintenance of equipment and facilities or replaced on a scheduled basis. The work shall ensure the useful life of the project for not less than five years.

"Charter service" shall mean transportation provided at a request of a third party for exclusive use for a negotiated price. Service is not part of the regularly scheduled service and the third party determines the origin and destination of the trip as well as scheduling.

"Executive Director" means the Executive Director of NJ TRANSIT.

"FCIP" shall mean the Ferry Capital Improvement Program.

"Ferry passenger service" shall mean any regular service which involves the carriage of persons for compensation or hire by waterborne craft in this State or between points in this State and points in other states. Ferry passenger service that, due to geographic locations or routing, operate in a state other than New Jersey in providing services to passengers that have origins or destinations in New Jersey, are included within this definition, provided that the primary reason for operating outside of New Jersey is to transport New Jersey citizens to and from

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their New Jersey origins and destinations, and to transport others to and from New Jersey where such transportation services aid in the growth and development of the economy of the State of New Jersey. Charter service is not included in this definition.

"FGDRM" means Fixed Guideway Directional Route Miles as defined by FTA under 49 U.S.C. § 5337, that is, the mileage in each direction over which public transportation vehicles travel while in revenue service over a fixed guideway (exclusive or controlled access right-of-way).

"FTA" means the Federal Transit Administration.

"NTD" means the National Transit Database of the Federal Transit Administration.

"NTD funding" means the Federally generated funds under FTA § 5307 Urbanized Area Formula Program and § 5337 State of Good Repair Grants Program or successor programs.

"Operator" means any person, firm, corporation of any type, or other entity operating ferry passenger service.

"RVM" means Revenue Vehicle Miles as defined by the FTA under 49 U.S.C. § 5307, that is, the miles that vehicles travel while in revenue service. Vehicle revenue miles exclude deadhead, training operators prior to revenue service, vehicle maintenance test, and school charter services.

## SUBCHAPTER 2. ELIGIBILITY AND INELIGIBILITY

## 16:89-2.1 Eligibility criteria

(a) The Executive Director shall determine whether an operator is eligible to participate in the FCIP. To be eligible, operators shall:

1. Have all necessary governmental approvals to run ferry passenger service;

2. Provide NJ TRANSIT with statistics and annual required certifications for the NTD Report (see 49 U.S.C. § 5335(a)). The FTA has found such submission acceptable and funds from FTA's 49 U.S.C. § 5307 and 49 U.S.C. § 5337 programs (or successor programs) were allocated to NJ TRANSIT;

3. Be current in its accounts with NJ TRANSIT and the State of New Jersey. When there are affiliates, then both the operator and each affiliate must be current in its accounts with NJ TRANSIT and the State of New Jersey;

4. Have performed satisfactorily in past contractual arrangements with NJ TRANSIT;

5. Have the ability to maintain equipment of advanced design and technological complexity;

6. Agree to utilize the purchased FCIP capital improvement for the primary purpose of operating ferry passenger service in accordance with its routes and service requirements; and

7. Agree to make purchased FCIP capital improvements available as soon as practicable for the needs of NJ TRANSIT upon written request by NJ TRANSIT in the event of any emergencies, such as riots, floods, calamities, strikes, etc., as determined by NJ TRANSIT. Details of these requirements and the compensation therefor shall be set forth in an emergency services agreement between NJ TRANSIT and the operator.

## 16:89-2.2 Notice of ineligibility

(a) If NJ TRANSIT concludes that an operator is not eligible to participate in the FCIP, a designee of the Executive Director shall notify the operator in writing explaining the reasons for the decision. The operator may appeal this decision but only on the facts NJ TRANSIT used in its determination. The operator must submit its written response within 15 business days of receiving NJ TRANSIT's decision. In its response, the operator shall respond with particularity and detail to each and every assertion made in the initial communication. The operator may submit only relevant documents with its response.

(b) The Executive Director's designee shall consider the operator's response on the papers submitted by the operator and all other relevant material, including the applicable provisions of N.J.S.A. 27:25-1 et seq., and shall render a decision. A decision by the Executive Director's designee shall be rendered within 30 calendar days of receipt of the operator's written response. Where the Executive Director's designee requests additional information from the operator, the operator shall respond accordingly. The Executive Director's designee shall render a decision based on such facts, the law, and any relevant considerations of public policy. If the operator is dissatisfied by this decision, the operator

may seek review of the decision in accordance with the procedures set forth in the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. An operator may seek judicial review of NJ TRANSIT's final decision by filing the appropriate appeal with the Appellate Division of the Superior Court of New Jersey as provided by applicable law.

## SUBCHAPTER 3. FERRY CAPITAL IMPROVEMENT PROGRAM FUNDING

## 16:89-3.1 Source of funds

(a) Funding for the FCIP program will be provided from the NJ TRANSIT capital budget.

(b) NJ TRANSIT will allocate FCIP participants at least 75 percent of the funding generated as a result of their RVM reported to the NTD and allocated to NJ TRANSIT under the FTA's 49 U.S.C. §§ 5307 and 5337 programs or their successors. The remaining balance will be retained by NJ TRANSIT to cover internal administration cost and support ferry operations.

(c) NJ TRANSIT will allocate FCIP participants at least 75 percent of the funding generated as a result of their FGDRM reported to the NTD and allocated to NJ TRANSIT under the FTA's 5307 and 5337 programs or their successors. The remaining balance will be retained by NJ TRANSIT to cover internal administration cost and support ferry operations.

(d) NJ TRANSIT will establish the annual RVM and FGDRM funding amount consistent with Federal appropriations and national NTD reporting.

(e) FCIP funding will be disbursed for FCIP projects consistent with an agreement as described in N.J.A.C. 16:89-4.1. NJ TRANSIT will maintain a record of the amount allocated to each FCIP participant, amount disbursed or committed, and the program balance.

## 16:89-3.2 Eligible and ineligible uses of allocated FCIP funds

(a) FCIP expenditures made shall apply only to ferry passenger service capital improvements and/or capital maintenance.

(b) Allocated FCIP funds may be used for the following types of expenditures with the approval of NJ TRANSIT supporting ferry passenger service:

1. Purchase of waterborne craft and buses used for revenue service, which must be maintained in revenue service for their prescribed useful lives;

2. Rehabilitation of NJ TRANSIT purchased waterborne craft and buses, including, but not limited to, the complete overhaul of boat engines and propulsion systems, purchase of complete ferry engines or propulsion system, bus engines, and/or transmissions, structural rehabilitation, HVAC rehabilitation, and seat/cover replacements. The purchase or repair of component parts that are included in the normal operating maintenance of equipment or facilities or are being replaced on a regularly scheduled basis is not permitted;

3. Rehabilitation of operator owned/leased waterborne craft and buses, as described in (b)2 above, used in ferry passenger service;

4. Improvements to facilities used principally to support the operation of ferry passenger service;

5. Capital equipment purchases, including, but not limited to, electronic fare equipment, radios, and maintenance equipment; and

6. Purchase of non-revenue vehicles used to support revenue operations.

(c) Allocated FCIP funds may not be used for the following types of expenditures:

1. Operating or routine maintenance expenses;

2. Compensation of any owner, officer, employee, or general administrative expenses;

3. The purchase of component parts;

4. Fuel storage facilities and related equipment;

5. Office furniture; or

6. Interest on debt service.

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**SUBCHAPTER 4. OTHER REQUIREMENTS**

**16:89-4.1 Agreement governing capital improvements**

(a) An operator shall enter into an appropriate written agreement ensuring NJ TRANSIT's satisfactory continuing control for every item of capital improvement funded by NJ TRANSIT through the FCIP. This agreement will also ensure that the operator's use and disposition of the capital improvements are in accordance with the FCIP and shall contain such provisions that include, but are limited to, requirements for capital improvement maintenance, indemnification, and insurance, and requirements for default, audits, and recordkeeping as NJ TRANSIT shall deem reasonably necessary to ensure that the capital improvement shall remain in ferry passenger service for the length of its useful life.

(b) Satisfactory continuing control shall take the form of a lien agreement as follows:

1. NJ TRANSIT will be named as the senior (first) lienholder on capital improvements funded through FCIP. If a senior lien is not available, NJ TRANSIT shall maintain its financial interest over each capital improvement through its useful life by means of a lien agreement identifying the cost, date of purchase, and useful life of each capital improvement and stipulating that any early disposition of the capital improvement will require the operator to reimburse NJ TRANSIT the original cost of the capital improvement less depreciation (assuming straight line depreciation).

2. If the operator does not have the resources to reimburse NJ TRANSIT in accordance with (b)1 above, NJ TRANSIT shall reduce the operator's next year's FCIP funds by an amount equivalent to the original cost less depreciation of the capital improvement.

(c) Where an operator may be in breach of its obligations under any agreement with NJ TRANSIT under (a) or (b) above, any recourse or remedy for such breach shall be resolved and determined under the agreement terms and conditions. The remedy for breach may include, but not be limited to, repossessing the capital improvement(s).

**16:89-4.2 Compliance requirements**

(a) As a precondition to accepting funding for capital improvements from NJ TRANSIT, an operator shall agree to abide by all regulatory requirements of NJ TRANSIT in force at the time the written agreement in N.J.A.C. 16:89-4.1(a) is executed and all requirements of any third party owner of the equipment.

(b) Operators shall agree to provide any records or documentation that NJ TRANSIT may require for any audit conducted in relation to FCIP funding from the NJ TRANSIT capital budget or the FTA.

(c) Operators shall annually certify to NJ TRANSIT that all capital improvements are being satisfactorily maintained according to accepted standards throughout their useful life. Operators shall agree to develop and submit to NJ TRANSIT a maintenance plan if so required.

**SUBCHAPTER 5. RETIREMENT OF CAPITAL IMPROVEMENT**

**16:89-5.1 General**

In each instance where an operator proposes to dispose of capital improvements acquired with FCIP funds the operator shall submit a written plan for disposition to NJ TRANSIT for its approval.

**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 personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Jeffrey Byrd; 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.

**ITEM 1509-39: PERSONAL INJURY CLAIM OF JEFFREY BYRD**

**BENEFITS**

It is the opinion of NJ TRANSIT and defense counsel, in recognition of the serious injuries that resulted, staff recommends a settlement in the claim of Jeffrey Byrd.

**ACTION**

Staff seeks authorization to settle the claim of Jeffrey Byrd, through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

**PURPOSE**

NJ TRANSIT By-Laws require Board approval of the settlement of all claims and lawsuits involving personal injury, death or property damage in excess of \$500,000. This case is venued in the United States District Court, Trenton, NJ and initiated from a claim brought pursuant to the Federal Employers' Liability Act, 45 U.S.C. § 51 et seq.

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	Request authorization to settle the Personal Injury Claim of Jeffrey Byrd
<b>Projected Date of Completion:</b>	FY 2016
<b>Anticipated Source of Funds:</b>	FY 2016 Operating Budget
<b>Diversity Goals/Participation:</b>	Not applicable. No goods or services to be procured.

**RESOLUTION**

**WHEREAS**, Article VI, Section II of the By-Laws requires Board Authorization for settlement of claims in excess of \$500,000; and

**WHEREAS**, Jeffrey Byrd has presented a claim with a probable settlement cost greater than \$500,000; and

**WHEREAS**, staff has reviewed the claim and recommends settling this case out of court;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to settle the claim of Jeffrey Byrd through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.