

April 30, 2026

The Honorable Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

The Honorable Mikie Sherrill
Office of the Governor
225 West State Street
Trenton, NJ 08625

The Honorable Andrea Stewart-Cousins
President Pro Tempore and Majority Leader
The New York State Senate
188 State Street
Legislative Office Building, Room 907
Albany, NY 12247

The Honorable Nicholas Scutari
Senate President
New Jersey Senate
125 West State Street
State House South Addition, Level A
Trenton, NJ 08625

The Honorable Carl Heastie
Speaker of the Assembly
The New York State Assembly
188 State Street
Legislative Office Building, Room 932
Albany, NY 12248

The Honorable Craig Coughlin
Assembly Speaker
New Jersey General Assembly
125 West State Street
State House South Addition, Level B
Trenton, NJ 08625

Dear Governor Hochul, Governor Sherrill, President Pro Tempore and Majority Leader Stewart-Cousins, President Scutari, Speaker Heastie, and Speaker Coughlin:

Pursuant to the bi-state Gateway Development Commission Act (the “GDC Act”), the Gateway Development Commission (“GDC”) is hereby transmitting its Annual Report for Fiscal Year 2025 to “the governors and state legislatures of New York and New Jersey...” via this letter of transmittal, which incorporates information specified in the GDC Act. *See* N.J.S.A. 32:36-10; 2019 N.Y. Laws Ch. 108, Section 2(9).

EXECUTIVE SUMMARY

2025 was a pivotal year for GDC. With full funding for the Hudson Tunnel Project (“HTP”), we awarded a contract for one new construction package, and made significant progress on our active projects, including the substantial completion of the first construction package of the HTP, all on time and on budget.

While the HTP made notable progress in 2025, it is important to acknowledge the context in which GDC and its project partners and contractors were operating. In October 2025, federal funding for the HTP was paused and construction for the remainder of the year was largely funded through a line of credit. While the funding pause presented significant project delivery challenges, we are nevertheless pleased to share important updates during 2025.

GDC has overall responsibility for the delivery of the HTP, which consists of ten separate construction projects. In 2025, five of these packages were in progress and two were in the final stages of procurement. One of the remaining three entered the pre-qualification procurement phase, and two were on track to be procured further into the program. More detailed information is provided in the ‘Hudson Tunnel Project Activities’ section of this report.

In addition, GDC continued to grow and mature as an organization. We welcomed our second Chief Executive Officer, Thomas F. Prendergast, and two new executive staff members, Catherine Rinaldi as our new Executive Vice President, and James Starace as Chief of Program Delivery. Under our Delivery Partner, MPA Delivery Partners (“MPA”) (a Joint Venture of Parsons Corporation, Arcadis of New York, Inc., and Mace North America Limited), we significantly scaled up our staff capacity and added centuries of collective experience and expertise to the project team. The Board also approved GDC’s fifth Annual Operating and Capital Budget for Fiscal Year 2025, totaling \$56.3 million.

The information enclosed in GDC’s Fiscal Year 2025 Annual Report will provide further updates on each of the HTP’s ten construction packages, key organizational developments, and a report on the HTP’s financial status.

I. INTRODUCTORY SECTION

a. Board and Officers Information

In July 2019, the States of New York and New Jersey created GDC through the enactment of parallel legislation by each state and codified as the GDC Act. GDC is a public authority and a government-sponsored authority, with three Commissioners from the State of New York, three

Commissioners from the State of New Jersey, and one Commissioner directly appointed by Amtrak.

Following the enactment of the GDC Act, nominations were made to the Board of Commissioners (“Board”) by the respective appointing authorities beginning in 2019, and all Commissioners were confirmed to the Board by 2022. The Commissioners of the GDC Board in 2025 were as follows:

Alicia Glen (NY Co-Chair)
Balpreet Grewal-Virk (NJ Co-Chair)
Anthony R. Coscia (Vice-Chair and Amtrak Commissioner)
Jamey Barbas (NY Commissioner)
Janine Bauer (NJ Commissioner) (appointment terminated on 6/29/25)
Victor Herlinsky (NJ Commissioner) (appointment commenced on 6/30/25)
Marie Therese Dominguez (NY Commissioner)
Amy Rosen (NJ Commissioner)

In accordance with the GDC Board Bylaws, the following employees of Amtrak were appointed by Amtrak to serve as a Commissioner in 2025 in the event of absence or recusal by the Vice-Chair and Amtrak Commissioner:

Jennifer Mitchell, Executive Vice President, Strategy & Planning
Laura Mason, Executive Vice President, Capital Delivery
Tracie Winbigler, Executive Vice President, Business Transformation & Chief Financial Officer (terminated upon retirement on January 1, 2026)
Costin Corneanu, Executive Vice President, Chief Financial Officer (effective August 4, 2025)

Alicia Glen has served as the NY Co-Chair since her appointment at the Board meeting on July 19, 2022, Balpreet Grewal-Virk has served as the NJ Co-Chair since her appointment at the Board meeting on March 5, 2021, and Anthony R. Coscia has served as the Amtrak Commissioner and Vice-Chair in accordance with the GDC Act and the Bylaws; they continued to serve in such capacity during 2025.

At the January 16, 2025, Board meeting the Board adopted a Resolution appointing Thomas F. Prendergast as GDC’s Chief Executive Officer. The other Officers of GDC in 2025 were as follows:

Patrick J. McCoy, Chief Financial Officer
William Fletcher, Inspector General

Maria C. Anderson, Acting General Counsel, Acting Board Secretary and Acting Chief Ethics and Compliance Officer

b. Commission Developments and Activities

These developments and activities are also referenced in the letter from the GDC Chief Executive Officer to the Board dated April 30, 2026 attached hereto as Appendix A.

Organizational Developments.

GDC also continued to mature as an organization. In September 2025, the Board authorized an extension to the Delivery Partner contract to MPA in an amount not to exceed \$665 million. Over the course of the project, MPA will deliver staff and other resources with a depth of experience working on all aspects of large-scale infrastructure projects. The Board also awarded contracts for expert business advisory services in May 2025, site security services, procurement services and auditing services in July 2025, and Engineer of Record Services and Engineering Services During Construction in August 2025.

Hudson Tunnel Project Activities

GDC continued to advance construction of the HTP on both sides of the Hudson River – and in it – in 2025, launching new projects and hitting key construction milestones, including substantial completion of the Tonnelle Avenue Project on schedule and on budget. Tens of thousands of jobs are supported by the HTP, and construction is generating billions of dollars in economic activity.

In February 2025, the Board awarded the contract for the Manhattan Tunnel Project and construction started thereafter. This project involves building the portion of tunnel from the Manhattan Bulkhead to the Hudson Yards Concrete Casing — Section 3, preparing the ground under Manhattan’s West Side for tunnel boring, and constructing a Manhattan shaft for removal of the Hudson River Tunnel Section boring machines. The project continued construction activities using cranes and heavy excavation equipment to install a slurry wall for the Manhattan shaft, installing rebar and pouring concrete, and performing ground stabilization work. Construction launched on a marine temporary structure in the Hudson River, which will enable ground freezing around the Manhattan Bulkhead.

As required by the GDC Act, external engineering consultants prepared an independent report on GDC’s major capital projects, which included the Manhattan Tunnel Project in Fiscal Year 2025. This report is made available to the public on GDC’s website.

GDC advanced the procurement processes for the Hudson River Tunnel Section and the New Jersey Surface Alignment Project. GDC issued Requests for Proposals (“RFPs”) for the Hudson River Tunnel Section of the new tunnel and the New Jersey Surface Alignment Project, and a Request for Qualifications (“RFQ”) for the 10th Avenue Cut and Cover Project.

Eight out of the ten packages that comprise the HTP were either under construction or in procurement in Fiscal Year 2025.

GDC also secured approvals for five National Environmental Policy Act (“NEPA”) Re-Evaluations from the Federal Transit Administration (“FTA”), and submitted eight NEPA General Update Notifications to FTA, ensuring that upcoming construction work and risk mitigations are cleared to proceed on schedule.

On May 5, 2025, FTA formally notified GDC that FTA was assuming the role of the lead federal agency for the HTP’s environmental review under NEPA.

As construction activity ramped up, GDC worked with leaders in the communities where projects are located to keep local residents informed about construction activity and raise awareness of GDC’s programs to mitigate the impacts of construction. Commission staff opened a dedicated New York Community Engagement Center (CEC) near the active sites in Manhattan, which will serve as a hub for stakeholders and members of the public to learn about the project and ask questions. The Community Engagement team also partnered with local schools and organizations on educational programming initiatives at the Center. Planning efforts for a New Jersey CEC advanced, and it was on track to open in 2026. In addition, GDC created dedicated phone hotlines and email addresses for each active construction project, and maintained a Public Information Center at the Tonnelle Avenue Project site and in Weehawken during 2025. To help reduce the impact of noise related to HTP construction for residents in the vicinity of the Tonnelle Avenue and Hudson County staging areas, GDC launched a Noise Abatement Program in 2024 that continued into 2025, and conducted robust outreach efforts to encourage eligible residents to apply.

II. FINANCIAL SECTION

As referenced in the letter from CFO Patrick McCoy to the Board of Commissioners dated April 30, 2026 (attached hereto as Appendix B), GDC prepared audited financial statements for Fiscal Year 2025 in accordance with the requirements of the GDC Act.

III. CORPORATE INFORMATION SECTION

a. Property Acquisition and Disposition

GDC does not own and did not acquire any real property during Fiscal Year 2025. GDC also did not dispose of any personal property with a sales price of \$10,000 or more during Fiscal Year 2025.

b. Description of Commission and its Board Structure

GDC is empowered by the GDC Act to facilitate and coordinate activities and encourage the actions of others to effectuate the Gateway Program, in particular, Phase 1 of the Gateway Program, which includes the HTP. The GDC Act states that GDC is “intended to qualify for,

authorized, and empowered to apply for and accept, financial assistance, loans, grants, or any other funding for such purposes under federal, state, or local laws, and to make application directly to the appropriate officials or agencies for the application for and receipt of federal, state or local assistance, loans, grants or any other funding in aid of any of the purposes of this act.”

GDC’s Board of Commissioners held the following public Board meetings during 2025 in accordance with the GDC Act, its Bylaws, and the GDC Open Meetings Policy:

- January 16, 2025 – All Commissioners in attendance.
- February 3, 2025 – All Commissioners in attendance except NY Commissioner Dominguez.
- April 14, 2025 – All Commissioners in attendance except NJ Co-Chair Grewal-Virk.
- May 20, 2025 – All Commissioners in attendance except NJ Commissioner Rosen.
- July 28, 2025 – All Commissioners in attendance except NJ Commissioner Barbas.
- August 20, 2025 – All Commissioners in attendance except NY Commissioner Dominguez.
- September 30, 2025 – All Commissioners in attendance, except for NJ Commissioner Rosen, and NY Commissioner Barbas who was recused from the action item.
- December 15, 2025 – All Commissioners in attendance.

A copy of the GDC Bylaws, amended December 12, 2024, is attached hereto as Appendix C.

The GDC Board includes an Audit Committee, Governance Committee, and Project Delivery Committee.

The Audit Committee is comprised of Vice-Chair Coscia, Co-Chair Glen, and Commissioner Bauer, who was substituted with Commissioner Herlinsky. The Audit Committee met on April 11, 2025, June 27, 2025, September 26, 2025, and December 19, 2025.

The Governance Committee is comprised of Vice-Chair Coscia, Commissioner Dominguez, and Commissioner Rosen. The Governance Committee met on February 21, 2025, and May 16, 2025.

The Project Delivery Committee is comprised of Vice-Chair Coscia, Commissioner Barbas, and Commissioner Bauer, who was substituted with Commissioner Herlinsky. The Project Delivery Committee met on January 28, 2025, February 27, 2025, March 27, 2025, April 28, 2025, May 28, 2025, June 30, 2025, July 28, 2025, August 26, 2025, and November 25, 2025.

c. Description of Compensation Structure

During Fiscal Year 2025, GDC officers and employees were provided a compensation plan that included annual salary, medical, dental, and vision benefits, accrued vacation and sick leave, and participation in the Gateway Development Commission Retirement 401(a) and 457(b) Plans. A schedule that identifies GDC officers or employees in decision-making positions who were provided such comprehensive benefits and whose base salary qualifies them under the statute is attached hereto as Appendix D. Biographical information, excluding confidential personal information, for such officers and employees is also included within Appendix D.

d. Material Pending Litigation

GDC was named in a lawsuit filed by Adolph Colletti. GDC entered into a Master Services Agreement with MPA to, among other things, provide staffing to GDC for the delivery of the HTP. Colletti was assigned by MPA to work on the Tonnelle Avenue Project within the HTP from May to July of 2024. Colletti alleged in the Complaint that he was wrongfully terminated by MPA and alleged that GDC is a co-employer. The matter is pending before the New Jersey Superior Court venued in Sussex County.

George Harms Construction Co., Inc. filed a lawsuit against GDC related to an RFP for construction services related to the NJ Surface Alignment package in the HTP. Harms was denied a temporary restraining order to prevent GDC's use of a project labor agreement. The matter is pending before the U.S. District Court of New Jersey and the Third Circuit Court of Appeals.

IV. PROCUREMENT INFORMATION SECTION

GDC adopted Procurement Guidelines on November 16, 2021, to govern the acquisition of goods and services of any kind greater than \$5,000 and require a competitive process. GDC also adopted a Procurement Manual approved by the FTA on November 15, 2023, to govern purchases that are federally funded. GDC's CEO was delegated authority by the Board to enter into contracts in amounts not to exceed \$300,000, and report to the Board Co-Chairs and Vice-Chair any contracts executed that exceed \$100,000. In accordance with the Procurement Guidelines, and delegation of authority to the CEO, GDC entered into various operational contracts related to the operation of GDC during the 2025 calendar year. In accordance with the Procurement Guidelines, Procurement Manual, and resolutions adopted by the Board, GDC entered into one (1) capital related contract during the 2025 calendar year. GDC also extended contracts during the 2025 calendar year that were assigned to GDC by its predecessor entity.

A list of the procurements during 2025 statutorily required to be reported are attached as Appendix E.

There have been no amendments to the Procurement Guidelines or Procurement Manual since GDC's last Annual Report.

Respectfully Submitted,

Thomas Prendergast
Chief Executive Officer
Gateway Development Commission

APPENDIX A

April 30, 2026

Alicia Glen, Co-Chair, NY Commissioner
Balpreet Grewal-Virk, Co-Chair, NJ Commissioner
Tony Coscia, Vice-Chair, Amtrak Commissioner
Jamey Barbas, NY Commissioner
Justin Braz, NJ Commissioner¹
Marie Therese Dominguez, NY Commissioner
Victor Herlinsky, NJ Commissioner

Dear Commissioners,

In 2025, the Hudson Tunnel Project (HTP) fully transitioned from early work to heavy construction, creating good-paying jobs and economic benefits for the region and nation in the process. Thanks to your leadership and close coordination with our federal funding partners, Amtrak, the States of New York and New Jersey, industry, labor, and the local communities on both sides of the river, this vital project moved forward across five major construction sites.

The momentum behind this effort remained strong despite the headwinds GDC faced. While the HTP made substantial progress in 2025, it is important to acknowledge the context in which GDC and its project partners and contractors were operating.

In October 2025, federal funding for the HTP was paused and construction for the remainder of the year was largely funded through a line of credit. Any degree of financial uncertainty can pose a challenge for an infrastructure project, much less a megaproject of the HTP's size and scale.

While GDC continues to assess the impact that the funding pause and its attendant circumstances have had on the HTP schedule and budget, we are nevertheless pleased to share important program delivery updates from the previous year.

EXECUTIVE SUMMARY

The letter enclosed will detail significant developments on the HTP in the previous year, including construction and procurement milestones, organizational and leadership updates, and stakeholder outreach efforts as construction activity increases rapidly on both sides of the Hudson River.

While GDC made considerable progress in each facet of the HTP's delivery, a pause in its federal grant and loan disbursements presented a considerable challenge. The funding pause precipitated both technical difficulties and an atmosphere of uncertainty.

Despite these hurdles, GDC systematically advanced delivery of the HTP in 2025. At the close of 2025, the HTP had five packages in active construction, two advancing through the procurement

¹ Commissioner Braz's appointment commenced in January 2026.

process towards contract award, one in the pre-qualification phase of procurement, and two in design.

Construction of an essential early works component, the Tonnelle Avenue Project, reached substantial completion and cleared the way for tunnel boring preparatory work on the Palisades Tunnel Project to move forward on schedule.

Slurry wall construction for the tunnel boring machines (TBM) access shafts in both Hudson County and 12th Avenue in Manhattan advanced, as did in-water work to stabilize the river bottom in preparation for the subaqueous portion of the new tunnel.

With all packages progressing in sequence with one another, the HTP entered its heavy civil construction phase.

FEDERAL FUNDING FOR THE HTP

While the HTP advanced into heavy civil construction in 2025, the project's federal grant and loan disbursements paused in October 2025.

On September 30, 2025, the US Department of Transportation (USDOT) informed GDC of a new interim final rule modifying the federal Disadvantaged Business Enterprise (DBE) requirements. All federal grant and loan funds for the HTP were suspended pending a review of the project's DBE program.

GDC worked proactively with its federal funding partners to certify compliance with federal law. In the meantime, construction continued. This work was funded for the remainder of the year with GDC's existing funds and its line of credit. GDC remained focused on continuing to advance the project and maintain its schedule and budget with the limited resources available.

OVERALL HTP DELIVERY STATUS

GDC made substantial progress during 2025 on five of the ten construction packages that comprise the HTP, moving the project toward the start of tunnel mining operations.

Construction on these packages is supporting more than 20,000 jobs and \$4.5 billion in economic output.

In 2025, five of the ten packages that comprise the HTP were in active construction, two were in the final stages of the procurement process, one entered the pre-qualification phase of procurement, and the two remaining packages were in design.

Active construction included work on the Tonnelle Avenue overhead bridge and Palisades Tunnel in New Jersey, ground stabilization work in the Hudson River, and construction on the west side of Manhattan to build the new tunnel's link into New York Penn Station.

Our work in New Jersey in 2025 focused on preparing for the arrival of the TBMs, which will build the first mile of the tunnel in New Jersey. In a major milestone for the project, the design for the first

TBMs was finalized and both machines successfully completed factory acceptance testing at the manufacturing facility.

Notably, GDC reached substantial completion on schedule and budget on the Tonnelle Avenue Project. A new roadway bridge is now fully operational and will carry Routes 1 and 9 over the future tracks to the new tunnel. The roadway bridge also creates an important staging area for the project, providing access under the highway for the TBMs to launch from the western face of the Palisades.

On the eastern side of Tonnelle Avenue, excavation advanced on the TBM portal launch box. The team safely and successfully implemented controlled blasting techniques as part of the excavation process.

A mile away in Weehawken, GDC began constructing the slurry wall for the Hudson County Access Shaft, which will be used to remove the first set of TBMs and replace them with the two machines that will build the section of tunnel under the Hudson River. GDC's community engagement team also coordinated with local residents to select certain elements of a noise barrier in 2024, which was installed around the site to mitigate construction impacts in 2025.

Meanwhile, work advanced to stabilize the soil in the Hudson River before tunnel boring begins. By the end of 2025, we stabilized nearly 60,000 square feet of riverbed and initiated work to remove timber piles that would otherwise obstruct the TBMs' route into Manhattan.

In New York, the Hudson Yards Concrete Casing – Section 3 (HYCC-3) Project made significant progress. The first of several major concrete pours began for the HYCC-3 tunnel box and work launched to connect this new section of the concrete casing to the existing sections. The project successfully passed the halfway mark in May 2025. The HYCC-3 Project, while part of the HTP, is under Amtrak's purview.

GDC awarded its largest and most complex construction contract yet for work on the Manhattan Tunnel Project. Construction on this package will require extensive ground improvement, excavation, and tunneling in a dense urban environment.

In February 2025, GDC awarded its fourth construction contract for work on the Manhattan Tunnel Project, and construction mobilized shortly after.

One of the most complex components of the HTP, the Manhattan Tunnel Project involves substantial ground improvement operations to create a clear pathway for the TBMs that will travel under the Hudson River and into Manhattan. It also involves constructing the 12th Avenue Access Shaft, where TBMs and digger shields will be removed and deployed, respectively.

By the end of 2025, we had prepared the construction site for upcoming construction activity. The guide wall for the access shaft was completed, and we began installing its slurry wall panels.

January 2025 – December 2025: One Year of Construction Progress

Tonnelle Avenue / Palisades Portal

January 2025



December 2025



Hudson County Shaft

January 2025



December 2025



Hudson River Ground Stabilization

January 2025

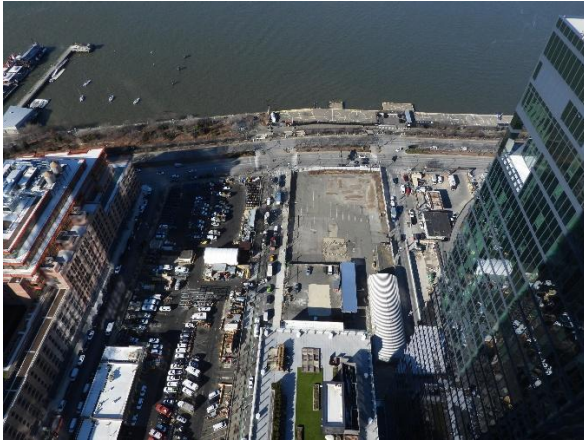


December 2025



Manhattan Tunnel Project

January 2025

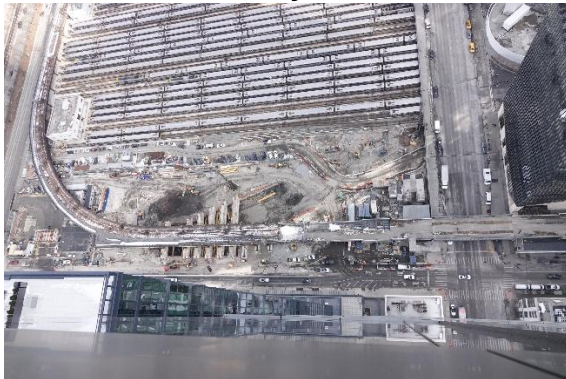


December 2025

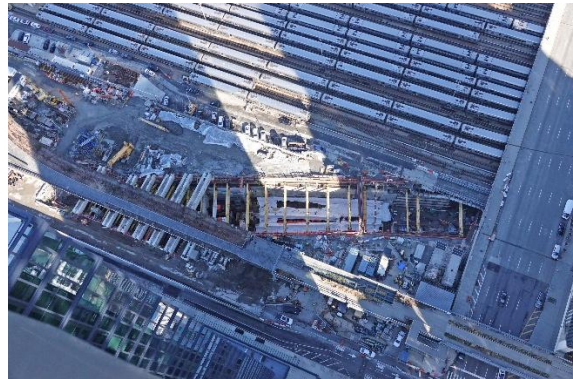


Hudson Yards Concrete Casing – Section 3

January 2025



December 2025



GDC proactively engaged its community and industry stakeholders to maintain positive, productive relationships with those closest to construction activity.

As construction ramped up, we increased our engagement with communities and industry stakeholders by expanding outreach efforts on both sides of the river.

In December 2025, GDC opened its first Community Engagement Center (CEC) on the west side of Manhattan. The CEC will serve as a hub for members of the public to learn about the project, ask questions, and find out about upcoming construction activities in the area. Opening this Center reflects our commitment to being good neighbors throughout construction. It is an interactive, informative space for engaging with local schools and community organizations on educational programming and other events.

Across the river in New Jersey, GDC hosted an Open House in North Bergen in January 2025 to ensure the community is updated with the latest construction information ahead of tunnel boring. GDC staff and contractors spoke with residents about what to expect once mining begins and shared important information on the project's noise abatement program.

As part of GDC's coordination with the industry, we launched an online vendor portal to support small firms that may lack access to the latest opportunities for work on the project. GDC also hosted an Industry Day event in May 2025 as an opportunity for potential subcontractors to network in-person with the prime bidders on two upcoming construction contracts.

Throughout the year, GDC continued to provide regular construction updates both virtually and at in-person community events, ensuring that residents and businesses remain informed and supported.

CEO SUMMARY COMMENTS

GDC's leadership and staff have the expertise and support needed to shepherd the HTP through to completion.

GDC continued to mature as an organization in 2025, adding new executive leadership with deep experience delivering complex projects. In addition, GDC launched the next phase of our public-private delivery model, bringing additional engineering, project management, and technical capacity to GDC.

With new contract awards on the horizon, the HTP's construction footprint is going to expand rapidly in the months and years ahead. GDC will continue to onboard seasoned engineers with the institutional knowledge required to shepherd the project into its next phase of construction.

Concluding Remarks

Reflecting on all GDC accomplished in 2025, I am more confident than ever that 2026 will build on this success. That said, while GDC and its partners have maintained their resolve to see this vital project through to completion, the federal funding pause put the project in a challenging position last year.

To keep the HTP on track, everyone involved – from our construction crews to our contractors – needs certainty that their hard work and dedication will be sustained by the federal funding committed to this project.

As CEO, I am committed to doing everything possible, in coordination with GDC’s legal team and internal and external stakeholders, to secure consistent and reliable access to all \$16 billion needed to complete the HTP. My job in the year ahead is to ensure the GDC team can remain completely focused on doing what we do best: building the reliable, modern rail infrastructure that the millions of riders who travel into, out of, and through New York deserve.

Sincerely,

Thomas Prendergast
Chief Executive Officer
Gateway Development Commission

CC: Hon. Kathleen C. Hochul, Governor, New York
Hon. Mikie Sherrill, Governor, New Jersey
Roger Harris, President, Amtrak
Senate President Pro Tempore Andrea Stewart-Cousins, New York
Assembly Speaker Carl Heastie, New York
Senate President Nicholas Scutari, New Jersey
Assembly Speaker Craig Coughlin, New Jersey

###

APPENDIX B

April 30, 2026

Board of Commissioners
Gateway Development Commission

22 Cortland Street, 21st Floor
New York, NY 1007

3 Penn Plaza East, 10th Floor
Newark, NJ, 07105

RE: Gateway Development Commission - 2025 Consolidated Financial Statements

Dear Commissioners:

The Annual Comprehensive Financial Report (ACFR) of the Gateway Development Commission (the Commission), for the year ended December 31, 2025, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rests with management. To the best of our knowledge and belief, the presented data is accurate in all material respects and is reported in a manner that fairly presents the financial position, the results of operations of the Commission, and includes all disclosures necessary to enable the reader to gain the maximum understanding of the Commission's financial activities.

The GDC Act requires that financial statements be presented in conformance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities and audited in accordance with generally accepted auditing standards by licenses independent certified public accountants. This report serves to fulfill these requirements. In addition, an audit of the financial statements has been completed by the Commission's independent auditors, SC&H Attest Services, P.C.. The audit was performed to provide reasonable assurance that the financial statements of the Commission, as a whole, are free of material misstatements. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded that there was a reasonable basis for issuing an unmodified ("clean") opinion stating that the Commission's financial statements for the year ended December 31, 2025, are fairly presented in conformity with Generally Accepted Accounting Principles ("GAAP"). The Independent Auditor's Report is presented at the front of the financial section of the ACFR.

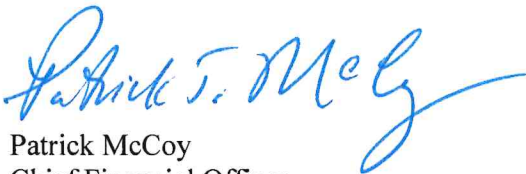
Management is responsible for establishing and maintain internal accounting controls to provide reasonable assurance that assets are safeguarded against loss, theft or misuse and that financial records for preparing financial statements and maintaining accountability for assets are reliable. The internal control system is designed to provide reasonable, rather than absolute, assurance that

these objectives are met and that the financial statements are free from material misstatement. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control and the evaluation of costs and benefits requires estimates and judgements by management. We believe the Commission's internal controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

This letter and its enclosure will be appended to the Commission's 2025 Annual Report that is being transmitted to the Governors and State Legislatures of New York and New Jersey in accordance with the provisions of the GDC Act.

Sincerely,



Patrick McCoy
Chief Financial Officer
Gateway Development Commission

Enclosure

GATEWAY DEVELOPMENT COMMISSION
Annual Comprehensive Financial Report
For the year ended December 31, 2025

Prepared by
the Finance Department

GATEWAY DEVELOPMENT COMMISSION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Letter of Transmittal	1-2
Commission Board and Management	3

FINANCIAL SECTION:

Independent Auditors' Report	4-5
Management Discussion and Analysis (Unaudited)	6-12

BASIC FINANCIAL STATEMENTS

Statement of Net Position as of December 31, 2025	13-14
Statement of Revenues, Expenses and Changes in Net Position for the Year Ended December 31, 2025	15
Statement of Cash Flows for the Year Ended December 31, 2025	16-17
Notes to Financial Statements	18-32

Board of Commissioners
Gateway Development Commission

22 Cortland Street, 21st Floor
New York, NY 1007

3 Penn Plaza East, 10th Floor
Newark, NJ, 07105

RE: Gateway Development Commission - 2025 Consolidated Financial Statements

Dear Commissioners:

The Annual Comprehensive Financial Report (ACFR) of the Gateway Development Commission (the Commission), for the year ended December 31, 2025, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rests with management. To the best of our knowledge and belief, the presented data is accurate in all material respects and is reported in a manner that fairly presents the financial position, the results of operations of the Commission, and includes all disclosures necessary to enable the reader to gain the maximum understanding of the Commission's financial activities.

The Gateway Development Commission Act ("Act") requires that financial statements be presented in conformance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities and audited in accordance with generally accepted auditing standards by licensed independent certified public accountants. This report serves to fulfill these requirements.

In addition, an audit of the financial statements has been completed by the Commission's independent auditors, SC&H Attest Services, P.C.. The audit was performed to provide reasonable assurance that the financial statements of the Commission, as a whole, are free of material misstatements. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded that there was a reasonable basis for issuing an unmodified ("clean") opinion stating that the Commission's financial statements for the year ended December 31, 2025, are fairly presented in conformity with Generally Accepted Accounting Principles ("GAAP"). The Independent Auditors' Report is presented at the front of the financial section of the ACFR.

Management is responsible for establishing and maintaining internal accounting controls to provide reasonable assurance that assets are safeguarded against loss, theft or misuse and that financial records for preparing financial statements and maintaining accountability for assets are reliable. The internal control system is designed to provide reasonable, rather than absolute, assurance that these objectives are met and that the financial statements are free from material misstatement. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control and the evaluation of costs and benefits requires estimates and judgements by management. We believe the Commission's internal controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

This letter and its enclosure will be appended to the Commission's 2025 Annual Report that is being transmitted to the Governors and State Legislatures of New York and New Jersey in accordance with the provisions of the GDC Act.

Sincerely,

A handwritten signature in blue ink that reads "Patrick J. McCoy". The signature is written in a cursive style with a large, stylized "M" at the end.

Patrick J. McCoy
Chief Financial Officer
Gateway Development Commission

Enclosure

GATEWAY DEVELOPMENT COMMISSION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025

COMMISSION BOARD AND MANAGEMENT

COMMISSION BOARD

POSITION

Balpreet Grewal-Virk	New Jersey Commissioner & Co-Chair
Alicia Glen	New York Commissioner & Co-Chair
Anthony R. Coscia	Amtrak Commissioner & Vice Chair
Jamey Barbas	New York Commissioner
Victor Herlinsky	New Jersey Commissioner
Marie-Therese Dominguez	New York Commissioner
Justin Braz	New Jersey Commissioner

MANAGEMENT

POSITION

Thomas P. Prendergast	Chief Executive Officer
Catherine A. Rinaldi	Executive Vice President
Adam Rosenbloom	Chief Program Officer
Robert Hickman	Chief of Federal Affairs
Hamed Nejad	Chief Engineer
Patrick J. McCoy	Chief Financial Officer
Madeleine McDonnell	Chief of Strategy and Operations
Jim Starace	Chief of Program Delivery
Greg Luger	Chief, Safety and Security
Maria Anderson	Acting General Counsel; Chief Ethics and Compliance Officer and Board Secretary



Independent Auditors' Report

To the Board of Commissioners of
Gateway Development Commission:

Opinion

We have audited the accompanying financial statements of the Gateway Development Commission (the Commission), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Gateway Development Commission as of December 31, 2025, and the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2026, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

SC+H Attest Services, P.C.

April 27, 2026

**GATEWAY DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

The following discussion and analysis of the business-type activities of the Gateway Development Commission (the "Commission") provides an introduction to the basic financial statements for the year ended December 31, 2025. This discussion has been prepared by management and should be read in conjunction with the basic financial statements and footnotes found in this report. This information collectively is designed to provide readers with an understanding of the Commission's finances.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Commission is structured as a single enterprise fund. The financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to government entities. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated over their useful lives. See "Notes to Financial Statements" for a summary of the Commission's significant accounting policies and practices.

The Statement of Net Position presents information on all the Commission's assets, and liabilities with the difference between total assets and total liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Commission's financial position.

The Statement of Revenues, Expenses and Changes in Net Position presents information reflecting the current year's changes in the Commission's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will result in cash flows in future fiscal periods.

The Statement of Cash Flows reports on the flow of cash. Consequently, only transactions that affect the Commission's cash accounts are recorded in these statements. A reconciliation follows these statements to assist in the understanding of the difference between cash flow from operating activities and operating income.

The Notes to Financial Statements are an integral part of the basic financial statements and provide information that is essential to a full understanding of the basic financial statements, such as the Commission's accounting methods and standards, details of cash, receivables, capital assets, employee benefits, capital contributions, contingencies, and subsequent events.

ACTIVITY HIGHLIGHTS

The Hudson Tunnel Project (HTP) is the most urgent rail infrastructure project in America. The \$16 billion project will improve reliability for hundreds of thousands of daily passengers, create tens of thousands of jobs, and support long-term economic growth in the New York/New Jersey region.

The HTP consists of two crucial infrastructure improvements that will deliver modern and reliable rail travel into, out of, and through New York City:

1. Building nine miles of new passenger rail track between New Jersey and New York, including a new rail tunnel under the Hudson River.
2. Rehabilitating the 116-year-old North River Tunnel, which is a source of chronic delays.

When the project is complete, there will be two tunnels, containing four modern tubes, connecting New York to New Jersey and the rest of the Northeast Corridor. This will provide operational flexibility and redundancy for Amtrak and NJ TRANSIT rail operations to maintain current capacity levels and strengthen service reliability.

The HTP broke ground on both sides of the Hudson River in November 2023. The Commission has substantially completed one package and advanced four of the ten packages that comprise this megaproject. Active construction supports approximately 20,000 jobs and \$4.5 billion in economic activity. In total, construction of the Hudson Tunnel Project is projected to support 95,000 jobs and \$19.6 billion in economic activity.

The Commission is the bi-state agency responsible for delivering the HTP. The Commission made significant progress on the HTP in 2025, reaching several key milestones that will facilitate another productive year ahead.

Notably, construction on the Tonnelle Avenue Bridge and Utility Relocation Project in North Bergen, New Jersey, is on schedule for completion in 2026. The Tonnelle Avenue Project is a new roadway bridge that will carry US Routes 1 and 9 over the tracks of the future tunnel while also creating access under the highway for the tunnel boring machines (TBM) to launch at the base of the Palisades. The Tonnelle Avenue Project was the first construction package to break ground in New Jersey. When complete, Tonnelle Avenue will continue to serve as a staging area for future HTP construction.

In another significant milestone for the HTP, manufacturing was completed on two custom-built TBMs that will be used to construct the first mile of the new tunnel in New Jersey, from the Palisades to Weehawken. The first machine shipped to New Jersey in December 2025, and the second machine underwent testing and is prepared to ship from the manufacturing facility. Both will be assembled on-site in North Bergen, New Jersey and launch in 2026.

Once the Palisades TBMs complete the westernmost section of the new tunnel, they will be removed from an access shaft in Hudson County and replaced with a second set of machines designed to mine through soil conditions under the river. Work on the access shaft advanced substantially in 2025, including construction of its 120-foot-deep slurry wall in preparation for excavation in spring 2026.

Across the river in New York, Amtrak made significant progress on the Hudson Yards Concrete Casing – Section 3 (HYCC-3), which will create the new tunnel's connection into New York Penn Station. With excavation of this 500-foot-long connection nearing completion in 2026, construction crews began pouring concrete to form the tunnel box.

Just west of the HYCC-3 site, in 2025 construction commenced on the Manhattan Tunnel Project, one of the HTP's largest and most complex contracts. Manhattan Tunnel work involves building the new tunnel's link from the eastern side of the site to HYCC-3. The contract also requires substantial ground improvement to allow the TBMs to dig through manmade fill along Manhattan's shoreline before they are removed from an access shaft along 12th Avenue, whose construction is also part of this critical contract.

Meanwhile, work is underway in the Hudson River to stabilize the ground in preparation for tunnel boring. At the end of 2025, construction crews reinforced nearly 60,000 square feet of riverbed, which will prevent the soil from collapsing in on itself as the tunnel is constructed under the river.

With five construction contracts remaining on this fifteen-year project, design and procurement advanced on four components. This includes the Hudson River Tunnel contract for subaqueous tunnel construction and the New Jersey Surface Alignment contract, which will link the new tunnel to the existing Northeast Corridor tracks in the Meadowlands, both of which are scheduled for award in 2026.

From an organizational standpoint, in 2025 the Commission transitioned fully into a project delivery agency. Its structure and staffing matured with the addition of three seasoned executives at the highest levels of the transportation and infrastructure delivery sector. Thomas Prendergast was appointed the Commission's Chief Executive Officer ("CEO"), joining the Commission from executive positions at AECOM and prior to that the Metropolitan Transportation Authority (MTA), where he served as Chair and CEO. Catherine Rinaldi was selected as the Commission's first Executive Vice President and James Starace was named Chief of Program Delivery.

The Commission continued to demonstrate that it is a responsible steward of public funding in delivering the HTP on scope, schedule, and budget. It looks forward to entering the project's next phase with the start of tunnel mining operations in 2026 and ultimately delivering modern rail infrastructure that will support good jobs, economic benefits, and reliable transportation for millions of riders.

FINANCIAL HIGHLIGHTS

The change in Net Position is an indicator of whether the Commission's overall financial condition has improved or deteriorated during the year. The Net Position balance increased from \$235.0 million on December 31, 2024, to \$699.3 million on December 31, 2025. The change in Net Position for the year ended December 31, 2025, was as follows:

	AS OF DECEMBER 31,	
	<u>2025</u>	<u>2024</u>
Operating Revenues	\$ 19,114,391	\$ 58,174,081
Operating Expenses	<u>35,224,709</u>	<u>33,922,271</u>
Operating Income	<u>(16,110,318)</u>	<u>24,251,810</u>
Non-Operating Revenues	<u>27,687,067</u>	<u>10,621,070</u>
Income Before Capital Contributions		
Contributions	11,576,749	34,872,880
Capital Contributions	<u>452,747,923</u>	<u>129,093,513</u>
Increase in Net Position	<u>464,324,672</u>	<u>163,966,393</u>
Beginning Net Position	<u>235,016,417</u>	<u>71,050,024</u>
Ending Net Position	<u>\$ 699,341,089</u>	<u>\$ 235,016,417</u>

OPERATING REVENUE

STATE AND AGENCY CONTRIBUTIONS

The 2025 Operating Budget is funded pursuant to Section 11.01 of the Project Development Agreement ("PDA"). Each of the State of New Jersey, the State of New York, and Amtrak (together the "Project Partners") have agreed to fund one-third of the annual operating budget approved by the Commission's Board (the "Annual Operating Budget"). This Annual Operating Budget provides the necessary support for salaries of current staff, hiring of additional staff, professional support services necessary to support and supplement the work of Commission staff (including necessary support for planning, engineering and project systems and development), and other administrative expenses necessary to stand up the Commission as a fully functioning organization. The total of the Commission's 2025 Operating Budget was \$56.4 million.

The responsibility of each Project Partner is supported by a fully executed Funding Agreement that requires the payment of periodic installments to support the Commission's budget commitment. Below is a summary of each partner's commitment to the Commission's operating budget for the year ended December 31, 2025:

	AS OF DECEMBER 31,	
	<u>2025</u>	<u>2024</u>
Amtrak	\$ (1,625,662)	\$ 19,391,468
State of New Jersey	10,370,026	19,391,468
State of New York	<u>10,370,027</u>	<u>19,391,145</u>
	<u>\$ 19,114,391</u>	<u>\$ 58,174,081</u>

In 2025, the Commission recognized \$19.1 million of operating revenue and received all funding obligations under the agreements by December 31, 2025. However, Amtrak has exercised its option per the PDA to utilize excess operating funding as their 2025 contribution. The Commission utilized project partner prior year operating revenue reserve and surplus to cover the remaining budget.

The \$1.6M in excess of Amtrak’s current year contribution was returned to Amtrak and as such is reported in the Statement of Revenues, Expenses and Changes in Net Position as a “Revenue return”.

OPERATING EXPENSES

In 2025, the Commission incurred operating costs of \$35.2 million, which was below the budgeted amount of \$39.1 million. The following reflects the major cost categories for the years ended December 31, 2025, and 2024.

	AS OF DECEMBER 31,	
	<u>2025</u>	<u>2024</u>
Labor, fringe benefits and taxes	\$ 13,893,179	\$ 10,458,016
Professional support services	15,377,736	18,752,564
Federal related costs	-	2,535,441
Noise abatement	4,792,505	-
Administrative costs	1,161,289	2,176,250
Total Operating Expenses	<u>\$ 35,224,709</u>	<u>\$ 33,922,271</u>

The Commission’s labor, fringe and benefit costs increased by \$3.4 million compared to the prior year. This was due to a significant increase in full-time staff from forty-nine in 2024 to sixty-two in 2025. Salaries and wages increased by \$2.6 million, fringe benefits increased by \$0.5 million and payroll taxes increased by \$0.3 million over the prior year.

Professional support service costs decreased by \$3.4 million compared to the prior year. Major components of this expense category include financial advisor costs which decreased by \$1.9 million, labor counsel costs decreased by \$0.7 million and a decrease of \$0.6 million for rating agency fees.

During the year the Commission incurred noise abatement costs in the amount of \$4.8 million. These costs were necessary to reduce the impact of construction noises for residents in and around the area of the Tonnelle Ave. bridge project in North Bergen, New Jersey.

Administrative costs decreased by \$1.0 million. Major components of this change include rent expense for the New York and Newark, NJ office locations in the amount of \$0.5 million, as well as the decrease in job advertising costs and IT consultant costs decreasing by a combined \$0.2 million.

NON-OPERATING REVENUES/EXPENSES

Federal and State Assistance

The Commission has recognized non-operating revenue for certain administrative costs that qualify for reimbursement through the Capital Investment Grant (“CIG”) grant in the amount of \$33.6 million.

Interest on Deposits and Investments

Interest on deposits was \$10.3 million for the year ended December 31, 2025, a \$5.7 million increase from the prior year.

Interest Expense

During 2025, the Commission incurred interest costs on the credit facility in the amount of \$13.7 million and \$2.4 million of accrued interest on the Rehabilitation & Improvement Financing (“RRIF”) loans.

CAPITAL CONTRIBUTIONS

During 2025, the Commission recognized the majority of capital contributions from the federal government. Funds received from the Federal Transit Administration (“FTA”) CIG in the amount of \$81.7 million were related to the Hudson River Ground Stabilization Package, \$6.1 million received from FTA Better Utilizing Investments to Leverage Development (BUILD) formerly referred to as the RAISE Grant were related to the Tonnelle Avenue Bridge project, \$88.4 million of RRIF loan draws and associated accrued interest, and \$276.5 million received from the FRA-Federal/State Partnership Grant were related to project delivery partner costs spread across several packages of the HTP. Sources of funds received are as follows:

<u>Source:</u>	YEAR ENDED DECEMBER 31,	
	<u>2025</u>	<u>2024</u>
FTA-Capital Investment Grant	\$ 81,715,193	\$ 101,513,813
FTA-RAISE Grant	6,089,769	10,264,655
RRIF Loans due from Funding Partners	88,440,050	8,195,633
FRA - Federal/State Partnership Grant	276,502,911	7,119,412
State of New Jersey, Department of Transportation	-	2,000,000
	<u>\$ 452,747,923</u>	<u>\$ 129,093,513</u>

In October 2025, the federal government implemented a pause in the reimbursement of grant and loan funds for eligible project costs. This pause had an adverse effect on the reimbursement of the three grant programs currently providing the funding of the HTP and suspended the drawdown of funds from the Build America Bureau RRIF loans. As of December 31, 2025, the Commission had an outstanding receivable due from the federal government in the amount of \$223.9 million. In February and March of 2026, the federal government released payments totaling \$254.6 million, which included all past due amounts and billings for January of 2026 in the amount of \$49.4 million.

FINANCIAL POSITION

The Statement of Net Position presents the financial position of the Commission on December 31, 2025. This statement includes all the assets and liabilities of the Commission. Net Position is the difference between total assets and total liabilities and is an indicator of the current fiscal health of the Commission. During the year ended December 31, 2025, Total Net Position increased by \$464.3 million from \$235.0 million on December 31, 2024, to \$699.3 million on December 31, 2025. The following is a summarized presentation of the Commission's assets, liabilities, and net position on December 31, 2025:

	<u>2025</u>	<u>2024</u>
Assets:		
Current Assets	\$ 587,029,235	\$ 283,187,952
Non Current Assets	71,866,192	11,319,533
Capital Assets	783,748,596	202,426,098
Total Assets	<u>\$ 1,442,644,023</u>	<u>\$ 496,933,583</u>
Liabilities:		
Current	\$ 144,981,901	\$ 145,250,819
Noncurrent Liabilities	598,321,033	116,666,347
Total Liabilities	<u>\$ 743,302,934</u>	<u>\$ 261,917,166</u>
Net Position:		
Net Investment in		
Capital Assets	\$ 549,793,968	\$ 160,540,623
Restricted	75,714,731	21,163,461
Unrestricted	73,832,390	53,312,333
Total Net Position	<u>\$ 699,341,089</u>	<u>\$ 235,016,417</u>

On December 31, 2025, \$549.8 million of the Commission's net position represents its Net Investment in Capital Assets. This represents total construction-in-progress less the associated construction expense accruals, construction retainages, and the RRIF loan payable at December 31, 2025. During the construction phase of the HTP, construction expenditures are reported as construction-in-progress until the assets are being used for their intended purpose.

The Restricted Net Position balance of \$75.7 million on December 31, 2025, represents \$2.1 million of non-cash contributions made available by Amtrak to be used for utility costs related to the Tonnelle Avenue Bridge Construction, \$3.8 million of cash received from draws on the FTA BUILD grant also restricted for use on the Tonnelle Avenue Bridge project, and \$69.8 million that represents amounts due from the Commissions funding partners for debt service on RRIF loan draws made during the year.

The Unrestricted Net Position of \$73.8 million on December 31, 2025, may be used to meet the Commission's ongoing obligations.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During the year ended December 31, 2025, the Commission added \$581.3 million on capital projects related to the various packages of the HTP. Below is a listing of the major projects under construction and the amounts charged to construction-in-progress during 2025 and 2024 respectively.

<u>Projects Under Construction</u>	<u>2025</u>	<u>2024</u>
Hudson River Ground Stabilization	\$ 79,470,103	\$ 105,632,166
Palisades Tunnel	116,017,210	53,725,133
Manhattan Tunnel	304,382,373	6,091,483
Hudson Tunnel	15,433,629	3,154,169
Tunnel Fit-Out and Rail Systems	33,743,270	6,848,116
New Jersey Surface Alignment	17,800,315	5,048,690
Tonnelle Avenue Bridge	14,475,598	20,325,543
	<hr/>	<hr/>
Total	\$ 581,322,498	\$ 200,825,300
	<hr/> <hr/>	<hr/> <hr/>

FUNDS PASSED THROUGH TO AMTRAK

The Commission is a party to two (2) separate funding agreements with the States of New York and New Jersey for the HYCC-3 construction. These agreements reflect the financial commitment that each state has agreed to in order to satisfy the terms of the PDA that requires both states to fund their respective share of the costs required to fund the HYCC-3. The HYCC-3 is critical to the HTP and is being led by Amtrak for overall design and construction responsibilities.

During the year, the Commission received a payment in the amount of \$34.6 million from each state. These funds were subsequently passed through to Amtrak. The Commission has reported the receipt of funds from each respective state and subsequent disbursement of these funds to Amtrak in the operating activity section of the Statement of Cash Flows as “cash receipts from state and agency sources” and “cash disbursed to state and agency sources” in the amount of \$69.3 million, respectively.

Contact Information

This financial report is designed to provide a general overview of the Gateway Development Commission’s finances. Questions concerning any data provided in this report or request for additional information should be directed to Patrick J. McCoy, Chief Financial Officer, Gateway Development Commission, 22 Cortlandt Street, New York, NY 10007

**Gateway Development Commission
Statement of Net Position
as of December 31, 2025**

	Business-Type Activities Enterprise Fund
ASSETS	
Current Assets	
Cash	\$ 186,831,534
Cash- restricted	3,848,539
Investments	172,149,829
Interest receivable	33,371
Due from other governmental agencies	223,852,213
Prepaid expenses	240,734
Other receivables	73,015
Total Current Assets	587,029,235
Noncurrent Assets	
Due from Amtrak- restricted	2,073,329
Due from other governmental agencies-restricted	69,792,863
Capital assets, not being depreciated	783,748,596
Total Noncurrent Assets	855,614,788
Total Assets	\$ 1,442,644,023

See notes to financial statements (continued)

**Gateway Development Commission
Statement of Net Position
as of December 31, 2025**

	Business-Type Activities Enterprise Fund
LIABILITIES AND NET POSITION	
Current liabilities	
Accounts payable	\$ 3,973,621
Accrued payroll and benefits	1,165,097
Accrued interest payable	1,765,277
Construction payable	138,077,906
Total Current Liabilities	144,981,901
Non-Current Liabilities	
Construction retainage payable	28,528,170
RRIF Loan payable	67,348,554
RRIF loan interest payable	2,444,309
Line of Credit payable	500,000,000
Total Non-Current Liabilities	598,321,033
Total Liabilities	743,302,934
NET POSITION	
Net investment in capital assets	549,793,968
Restricted for:	
Capital acquisitions and construction	5,921,868
Debt service	69,792,863
Unrestricted	73,832,390
Total Net Position	699,341,089
TOTAL LIABILITIES AND NET POSITION	\$ 1,442,644,023

See notes to financial statements

Gateway Development Commission
Statement of Revenues, Expenses and Changes in Net Position
for the Year Ended December 31, 2025

	Business-Type Activities Enterprise Fund
Operating Revenues	
State and agency contributions	\$ 20,740,053
Revenue return	(1,625,662)
Total Operating Revenues	19,114,391
Operating Expenses	
Labor, fringe benefits and taxes	13,893,179
Professional support services	15,377,736
Noise abatement	4,792,505
Administrative costs	1,161,289
Total Operating Expenses	35,224,709
Operating Loss	(16,110,318)
Non-Operating Revenues/(Expenses)	
Federal and state assistance	33,577,881
Interest on deposits and investments	10,260,836
Interest expense	(16,151,650)
Total Non-Operating Revenues, net	27,687,067
Change in Net Position Before Capital Contributions	11,576,749
Capital contributions	452,747,923
Change in Net Position	464,324,672
NET POSITION, Beginning of Year	235,016,417
NET POSITION, End of Year	\$ 699,341,089

See notes to financial statements

**Gateway Development Commission
Statement of Cash Flows
For the Year Ended December 31, 2025**

	Business-Type Activities Enterprise Fund
Cash Flows from Operating Activities	
Cash receipts from state and agency sources	\$ 88,384,392
Payments to employees	(11,669,123)
Payments to suppliers	(22,454,930)
Cash disbursed to state and agency	(184,770,001)
Net Cash Used in Operating Activities	(130,509,662)
Cash Flows from Capital and Related Financing Activities	
RRIF Loan draws	59,181,990
Capital contributions	302,120,742
Interest payments	(12,726,855)
Draws on line of credit	400,000,000
Investment in capital assets	(447,104,349)
Net Cash Provided by Capital and Related Financing Activities	301,471,528
Cash Flows from Investing Activities	
Sales and maturities of investments	12,006,717,453
Purchase of investments	(12,009,040,994)
Interest on deposits and investments	10,253,688
Net Cash Provided by Investing Activities	7,930,147
Net Increase in Cash	178,892,013
Cash, Beginning of Year	11,788,060
Cash, End of Year	\$ 190,680,073
Cash- Unrestricted	\$ 186,831,534
Cash- Restricted	3,848,539
	\$ 190,680,073

See notes to financial statements (continued)

**Gateway Development Commission
Statement of Cash Flows
For the Year Ended December 31, 2025**

	Business-Type Activities Enterprise Fund
Reconciliation of Operating Income to Net Cash Used in Operating Activities	
Cash Flows from Operating Activities	
Operating (loss)	\$ (16,110,318)
Adjustments to Reconcile Operating Income to Net Cash Used in Operating Activities:	
(Increase)/Decrease in Operating Assets:	
Other receivables	(46,818)
Prepaid expenses	36,070
Increase/(Decrease) in Operating Liabilities:	
Accounts payable	616,868
Due to Amtrak	(115,500,000)
Accrued payroll and benefits	494,536
Net Cash Used in Operating Activities	\$ (130,509,662)
Non-cash Capital and Related Financing Activities:	
Decrease in Restricted Due from Amtrak Receivable for Tonnelle Avenue Bridge utility costs	\$ (1,050,570)

See notes to financial statements (concluded)

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 1 – ORGANIZATION AND BUSINESS PURPOSE

Organization and Purpose: The Gateway Development Commission (“Commission”) was created in July 2019, by the States of New York and New Jersey through the enactment of parallel legislation by each state and codified as the Gateway Development Commission Act (“GDC Act”).

The Commission is a seven-member governed public authority and a government sponsored authority (with three Commissioners from the State of New York, three Commissioners from the State of New Jersey, and one Commissioner directly appointed by Amtrak) that is empowered to facilitate and coordinate activities and encourage the actions of others to effectuate the Gateway Program, in particular, Phase 1 of the Gateway Program which includes the Hudson Tunnel Project (HTP).

The Commission, in cooperation with the New Jersey Transit Corporation (NJ TRANSIT), the Port Authority of New York and New Jersey (PANYNJ) and the National Railroad Passenger Corporation (Amtrak), propose the construction of a new two-track heavy rail tunnel along the Northeast Corridor from the Bergen Palisades in New Jersey to Manhattan that will directly serve Penn Station New York. The project is part of the Northeast Corridor Gateway Program, a series of strategic rail infrastructure investments designed to improve current service.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Reporting Entity: In defining the Gateway Development Commission for financial reporting purposes, management applied the requirements of Governmental Accounting Standards Board (GASB) Statements No.14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. These statements establish the basis for defining the reporting entity and whether it is considered a component unit of another entity and whether other entities are component units. Based on these criteria, the reporting entity of the Commission includes only the accounts of the Commission. The Commission identified no component units to include in these basic financial statements nor identified any other entity that should include the Commission in its basic financial statements.

Basis of Presentation and Accounting: The Commission’s financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to government entities and accordingly follow all applicable GASB pronouncements. Revenues are recognized when they are earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The principal operating revenues of the Commission are received from the States of New York and New Jersey and Amtrak. Together these entities are referred to as the “Funding Partners” and have agreed to fund one-third each of the annual operating budget of the Commission. Operating expenses include salaries and wages of Commission staff, fringe benefit expenses, professional support service costs and administrative expenses. The Commission’s primary source of non-operating revenue is from capital contributions, from grants and loans administered by United States Department of Transportation (“USDOT”).

Current Assets:

- **Cash on Deposit:** The Commission’s bank balances are insured up to \$250 thousand in the aggregate by the Federal Deposit Insurance Corporation (“FDIC”) for each bank in which funds are deposited. The Commission also presents restricted cash as a current asset. This balance represents the unspent portion of the “Local Share” funds received from the State of New Jersey, Department of Transportation.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

- **Investments:** The Authority accounts for all investments, regardless of time to maturity or their acquisition date, at fair value on the statement of net position with unrealized gains and losses charged or credited to investment income. Investments consist of United States government and agency obligations. The investment balance on December 31, 2025, consists of U.S. Treasury Bills.
- **Interest Receivable:** Represents interest earned but not received as of December 31, 2025.
- **Prepaid Expenses:** Prepaid expenses consist primarily of insurance and any other expenditure expected to benefit future periods.

Noncurrent Assets:

Restricted assets necessary to meet current obligations that are payable from the restricted assets are classified as current assets on the statement of net position. Assets restricted for construction include funds available for the design and construction of the Hudson Tunnel Project (HTP).

Restricted assets that are restricted for disbursements in the acquisition or construction of noncurrent assets or that are segregated for the liquidation of long-term debts are classified as noncurrent assets.

Assets restricted for construction include funds available for the design and construction of capital improvements.

The Commission also restricts assets due from the Port Authority of New York/New Jersey (“PANYNJ”), and the states of New Jersey and New York. The asset is presented as a RRIF Loan repayment receivable. This represents assets that will be restricted for the repayment of principal and interest on the RRIF loans.

Restricted assets legally restricted (by law, regulation, or contractual obligation) for a specific purpose are reported as a restricted asset. The Commission’s restricted assets are expendable. The Commission’s practice is to determine on a case-by-case basis whether to spend restricted assets or unrestricted assets when both are available for the same purpose.

Capital Assets: Capital assets are presented as a noncurrent asset in the statement of net position. The Commission expects to record a significant amount of construction related activity to be recorded as Construction-in-Progress until the project is substantially complete and being used for its intended purpose. All capital assets are recorded at cost and may include vehicles, buildings, furniture, fixtures, other equipment, and infrastructure (tunnel construction related activity) as well as right-to-use leased assets and subscription-based information technology arrangements (SBITA), net of accumulated depreciation and amortization. The thresholds for capitalization of various capital asset acquisitions are listed below.

Capitalization Policy: Fixed assets are capitalized as follows:

- Buildings/facilities acquisitions and new construction costing more than \$100,000
- Facility renovation and improvement projects costing more than \$100,000
- Land improvement and infrastructure projects costing more than \$100,000
- Equipment costing more than \$5,000 with a useful life beyond a single reporting period (one year)
- Purchases of equipment and facilities acquired through a debt financing arrangement that transfers ownership at the end of the contract.
- Right-to-use intangible lease assets more than \$50,000 required under GASB 87
- SBITAs more than \$100,000 required under GASB 96
- Computer software costing more than \$5,000 with a useful life beyond a single reporting period.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

- Intangible assets of internally generated computer software and all other intangible assets costing more than \$100,000
- Construction in Progress (CIP) for capital projects with a budget of more than \$100,000

Depreciation of Capital Assets: Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Useful Life in Years</u>
Tunnel Infrastructure	100
Equipment	5 to 7
Vehicles	5 to 7
Furniture and Fixtures	5 to 7
Buildings	30
Right to Use Assets	Lease Life
Subscription Based Information	
Technology Arrangements	*
Computer Software	2 to 5
Renovations and Improvements	25 to 30

* subscription assets should be amortized over the shorter of the subscription term or the useful life of the underlying asset.

Construction-in-Progress: Construction-in-progress is stated at cost including accruals, which relates to the cost of construction related activities not yet placed into service. No depreciation expense is recorded on construction-in-progress until such time as the relevant assets are completed and being used for their intended purpose.

Current Liabilities:

Vacation Allowance

The Commission's *Vacation Days Policy* provides that Full-Time Officers and Employees receive twenty (20) paid vacation days per year. Full-Time Officers and Employees who have not completed a full year of employment will be credited on a pro-rated basis in accordance with the *Vacation Days Policy*. Full-Time Officers and Employees may carry no more than one (1) year's allotment into a subsequent year.

Payment of unused vacation allowance will not be provided for vacation carryover days in excess of the number of days that have accrued up to the point of the Full-Time Officer's or Employee's separation, which will be based on the Full-Time Officer or Employee's length of service and in accordance with the *Vacation Days Policy*. Officers and Employees will be compensated for unused vacation days upon separation of employment calculated at their rate of pay at separation.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

Sick Allowance

The Commission provides twelve (12) days of annual paid Sick Leave to all Full-Time Officers and Employees to be used for their own illness or non-occupational injury, or the illness of Family Members. Such Sick Leave allotment shall be credited annually on January 1st of each year for Full-Time Officers and Employees who have completed a full calendar year of employment with the Commission. Full-Time Officers and Employees who have not completed a full calendar year of employment will be credited on a pro-rated basis in accordance with the Sick Leave Policy.

The liability for Vacation and Sick leave has been calculated in accordance with GASB Statement No. 101, Compensated Absences and is included in the accrued payroll and benefits line item in the accompanying Statements of Net Position.

There is no limitation on the maximum number of sick days an Employee may accumulate in his/her sick bank account. Officers and Employees will not be compensated for unused sick days upon separation of employment.

Non-Current Liabilities:

Construction Retainage Payable - represents the portion of funds that are withheld from a contractor and released when the contractual obligation is complete.

Net Position

The Commission's net position is reported in the statement of net position in the following categories:

- Net investment in capital assets
- Restricted for:
 - Capital acquisition and construction
 - Debt service
- Unrestricted

Net investment in capital assets includes capital assets, net of any construction related payables and retainages.

Net Position Restricted for Capital acquisitions and construction include amounts that have a capital project related purpose restriction.

Resources that are not constrained are reported as unrestricted in the statement of net position.

When both restricted and unrestricted resources are available for use for a specific purpose, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenue and Expense Classification – The Commission distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses primarily result from administrative operations. The principal operating revenues are classified as State and Agency Contributions. The Commission's operating expenses include labor, fringe benefits and payroll taxes, professional support services, noise abatement costs, and administrative costs, related to overseeing the construction of the HTP. The Commission is exempt from paying federal and state taxes.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Commission also reports on non-operating revenues and expenses. During the year the Commission requested reimbursement from the federal government for administrative costs that were not capitalized as project costs. This activity is recorded as federal and state assistance. The Commission also reports interest revenue and interest expense as non-operating. Funds received for the reimbursement of capitalized construction costs are reported as capital contributions.

Fiduciary Activities

The Commission has reported the receipt and subsequent disbursement of certain funds as a fiduciary activity. Funds received from the State of New York and the State of New Jersey (“the States”) were passed through to Amtrak. Because the subsequent disbursement of these funds was made within a three-month period, accounting pronouncements require the Commission to separately report additions and deductions, if significant, as cash inflows and cash outflows, respectively, in the operating activities category of its statement of cash flows. The Commission received a combined total of \$69.3 million from the States, and this amount is reported as a component of the \$88.4 million reported as “Cash receipts from state and agency sources”, in the operating activities category of the statement of cash flows. The “Cash disbursed to state and agency” reflects \$184.8 million disbursed to Amtrak, including the \$69.3 million received from the States.

New Accounting Pronouncements Recently Adopted.

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation upon implementation. The following is a summary of GASB Statements that the Commission is required to assess:

GASB Statement No. 102, *Certain Risk Disclosures* (“GASB 102”), has been issued to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority.

Concentrations and constraints may limit a government’s ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024. The adoption of GASB 102 had no impact on the Commission’s financial statements, except as noted in Note 12.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Upcoming Pronouncements:

GASB Statement No. 103 *Financial Reporting Model Improvements* (“GASB 103”) has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The following key points have been outlined and summarized below:

- Management Discussion and Analysis (MD&A): This section serves as required supplementary information (RSI) preceding the basic financial statements and offers an objective analysis of the government’s financial activities, comparing current and prior years.
- Unusual and Infrequent Items: This statement further clarifies the definition of an unusual and infrequent item, previously known as an extraordinary and special item.
- Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position: This requires the statement should continue to distinguish between operating and nonoperating revenues and expenses.
- Major Component Unit Information: Requires governments to present each major component unit separately in the reporting entity’s statement of net position and activities, so long as it does not reduce the readability of the statements.
- Budgetary Comparison Information: Requires governments to present budgetary comparison information as RSI.

The Commission has not completed their evaluation of GASB 103 but does not anticipate any material impact.

GASB Statement No. 104 *Disclosure of Certain Capital Assets* (“GASB 104”) has been issued to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures by Statement 34. Lease assets recognized in accordance with Statement No. 87 *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying assets in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. The requirements of GASB 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Commission has not completed their evaluation of GASB 104 but does not anticipate any material impact.

GASB Statement No. 105 *Subsequent Events* (“GASB 105”) has been issued to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Upcoming Pronouncements:

This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are issued.

This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed.

This Statement clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements for non-recognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged. The Commission has not completed their evaluation of GASB 105 but does not anticipate any material impact.

NOTE 3 – DEPOSITS AND INVESTMENTS

The Commission’s total cash on deposit on December 31, 2025, was \$190.7 million. The Commission had investments in the amount of \$172.1 million on December 31, 2025.

	<u>2025</u>
Unrestricted	
Cash on hand	\$ 186,831,534
Total cash	<u>186,831,534</u>
Investments	172,149,829
Total current cash and investments	<u>358,981,363</u>
Restricted	
Cash on hand	3,848,539
Total restricted cash	<u>3,848,539</u>
 Total cash and investments	 <u>\$ 362,829,902</u>

Custodial Credit Risk – Deposits. Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government entity may be unable to recover deposits or recover collateral securities that are in the possession of an outside agency. The Commission’s cash balance includes an amount deposited with commercial banks in interest-bearing accounts. The Federal Deposit Insurance Corporation (“FDIC”) insured this account up to \$250,000.

As of December 31, 2025, \$190.2 million of the Commission’s bank balance was exposed to custodial credit risk.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

ACCOUNT TYPE	BALANCE
Insured	\$ 525,525
Uninsured held by banks	190,154,548
Total	\$ 190,680,073

The Commission's cash on deposit with various entities as of December 31, 2025, totaled \$362.8 million, as follows:

Institution/Issuer	2025	
	AMOUNT	% OF PORTFOLIO
Bank of America	\$ 185,535,529	51%
JP Morgan Chase	177,268,848 (a)	49%
BNY Mellon	25,525	
Total	\$ 362,829,902	

(a) Of the \$177.3 million balance at this institution, \$172.1 million were investments in U.S. Treasury bills.

Interest Rate Risk. In accordance with the Commission's investment policy, the Commission manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk. Permitted Investments of the Commission are restricted to the following:

- a. Government obligations.
- b. Certificates of deposit, up to the FDIC insured limit per issuer.
- c. Repurchase agreements.
- d. Investment agreements or guaranteed investment contracts.
- e. Money market funds.

The restrictions pertaining to each class of these securities are outlined in the Commission's investment policy and are strictly adhered to.

The Commission's investment policy limits exposure to any single issuer to 20 percent of the investment portfolio. This restriction does not apply to issues of the U.S. government or its agencies that are explicitly guaranteed by the U.S. government.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

The Treasurer is authorized to invest and deposit funds of the Commission in obligations and/or depositories, which are generally consistent with the State of New Jersey Cash Management Fund as permitted under Public Law, c.270, and subsequent legislation, or as otherwise prescribed by the Board of Directors of the Commission. U.S. government and agency obligations are guaranteed by the full faith and credit of the issuing entity and are held by the Commission’s escrow agent in an account for the Commission. Repurchase agreements are uncollateralized and uninsured and are limited to investment-grade paper.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Commission’s investment in a single issuer.

As of December 31, 2025, no exposure of the concentration of credit risk existed since the Commission did not hold any investments in any one issuer that would represent five percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from this assessment.

Fair Value Measurements. The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted governmental standards. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Treasury Bills	\$ 172,149,829	\$ 172,149,829	\$ -	\$ -
Total investments by fair value level	<u>\$ 172,149,829</u>	<u>\$ 172,149,829</u>	<u>\$ -</u>	<u>\$ -</u>

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 4 - DUE FROM AMTRAK

In September 2023, the Commission entered into a funding agreement (“Tonnelles Funding Agreement”) with the State of New Jersey, whereas the State of New Jersey would provide funding for the Tonnelles Avenue Bridge and Utility Relocation Project (the “Project”). In addition to the State of New Jersey’s funding obligation, Amtrak will also be responsible for contributing \$3.3 million towards the local share requirement of the Project. Amtrak’s share will be met through an “in-kind” contribution. To satisfy the in-kind contribution, Amtrak will pay for certain utility relocation costs related to the Project.

During the year Amtrak incurred costs in the amount of \$1.1 million related to utility relocation costs on the Tonnelles Avenue project. The balance on December 31, 2025, was \$2.1 million.

NOTE 5 – CAPITAL ASSETS

A summary of the changes in capital assets is as follows for the years ended December 31, 2025, is shown below:

	Balance January 1, 2025	Increases	Decreases	Balance December 31, 2025
Capital assets not being depreciated by package:				
Hudson River Ground Stabilization	\$ 105,632,166	\$ 79,470,103	\$ -	\$ 185,102,269
Palisades Tunnel	53,725,133	116,017,210	-	169,742,343
Manhattan Tunnel	6,091,483	304,382,373	-	310,473,856
Hudson Tunnel	3,154,169	15,433,629	-	18,587,798
Tunnel Fit-Out and Rail Systems	6,848,116	33,743,270	-	40,591,386
New Jersey Surface Alignment	5,048,690	17,800,315	-	22,849,005
Tonnelles Avenue Bridge	21,926,341	14,475,598	-	36,401,939
Total	<u>\$ 202,426,098</u>	<u>\$ 581,322,498</u>	<u>\$ -</u>	<u>\$ 783,748,596</u>

NOTE – 6 DUE FROM OTHER GOVERNMENTAL AGENCIES

The Commission relies on funding from various federal and state/local sources to fund the construction of the HTP. The federal support is comprised of the Federal Transit Administration – Capital Investment Grant (“CIG”), the Federal Railroad Administration – Federal-State Partnership (“FSP”) Grant, and the Federal Transit Administration BUILD Grant previously known as RAISE. Local support includes the gross funding commitments from the PANYNJ, the State of New Jersey, and the State of New York.

The Commission reports an amount due from other governmental agencies as unrestricted and restricted assets in the statement of net position. Restricted amounts due from other governmental agencies represent the local support for debt service requirements associated with the RRIF loan payable balance outstanding on December 31, 2025.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 6 – DUE FROM OTHER GOVERNMENTAL AGENCIES (Continued)

The Commission is a party (“Borrower”) to three (3) separate RRIF Loan Agreements with the U.S. Department of Transportation, Build America Bureau (“BAB”). The Commission draws funds from the BAB and records a loan payable in the same amount for each draw. The States of New York, New Jersey and the Port Authority of New York/New Jersey referred to as the (“funding partners”) to the loans are responsible for the repayment of principal and interest on these loans to the Commission when due. The Commission has recorded revenue and a receivable from the funding partners for the amounts of principal and interest on each draw.

The Commission has incurred grant eligible expenditures and has requested the drawdown of funds from the respective grantor agencies as follows:

	<u>Amount</u>
Unrestricted	
Federal Transit Administration- CIG	\$ 68,833,335
Federal Railroad Administration- FSP	121,829,710
Federal Transit Administration- BUILD Grant	2,410,946
Build America Bureau	<u>30,778,222</u>
Total Unrestricted	<u>\$ 223,852,213</u>
 Restricted	
RRIF Loan Debt Service:	
Port Authority of New York/New Jersey (PANYNJ)	\$ 45,533,361
State of New Jersey	4,306,084
State of New York	<u>19,953,418</u>
Total Restricted	<u>\$ 69,792,863</u>

NOTE 7 – EMPLOYEE BENEFIT PLANS

401(a) Tax-Deferred Retirement Savings Plan

The Commission provides a tax-deferred retirement savings plan 401(a) for all eligible employees. The Commission contributes six percent (6%) of gross wages upon eligibility. The Commission contributed \$0.6 million during 2025.

457(b) Plan Employee Savings/Deferred Compensation Plan

The Commission also provides an employee savings/deferred compensation plan 457(b) for eligible employees. The 457(b) plan permits employees to contribute a discretionary amount of their salary not to exceed \$23,500 annually on a pre-tax basis.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 7 – EMPLOYEE BENEFIT PLANS (Continued)

Employees who are age 50 (or older) by the end of the calendar year can elect to make additional “catch up” contributions to the plan. This is in addition to the pre-tax employee contribution limit. Pursuant to federal tax law, participants in the 401(a) and 457 plans who are over 50 years of age can contribute an additional \$7,500 above the \$23,500 limit.

NOTE 8 – DEBT AND OTHER OBLIGATIONS

Revolving Line of Credit

In July 2024, the Commission entered into a Revolving Credit Agreement with the Bank of America, N.A. (“BofA”) for the purpose of obtaining a \$500 million Line of Credit (“Line”). The Revolving Credit Agreement and Line are secured by a pledge of and first lien on the pledged grant receipts, specifically Section 5309 Funds and the federal grant receipts relating to the Capital Investment Grant Program received by or to be received by the Commission. Interest incurred on the Line during the year was \$13.7 million.

The Revolving Credit Agreement and Line will terminate on July 6, 2029. During the year the Commission borrowed \$400.0 million and as of December 31, 2025, the outstanding balance on the Line was \$500.0 million, which represents the maximum amount allowed to be borrowed.

The Line is provided to finance eligible Hudson Tunnel Costs and other authorized costs related to the Hudson Tunnel Project.

The Commission’s Line bears interest based on Daily SOFR (Secured Overnight Financing Rate) plus the Applicable Spread of 1.15%.

The Commission will also pay a commitment fee of point three percent (0.30%), (based upon the Commission’s current ratings) on undrawn amounts.

Railroad Rehabilitation & Improvement Financing (RRIF) Loans

The Commission has entered into funding agreements with the States of New York, New Jersey and the Port Authority of New York/New Jersey (“funding partners”) to support borrowing for the HTP by the Commission through three (3) separate RRIF administered through the USDOT, BAB. The funding agreements commit the funding partners to pay principal, interest, and certain fees and expenses. The RRIF financing agreements are reimbursement-based, and the Commission will request (draw down) the funds after paying for the eligible capital project costs. Debt service for RRIF loans payable depends on future drawdowns since the loan is reimbursement-based.

The State of New York’s commitment to the repayment of the loan borrowings consists of two (2) tranches. Tranche A is for a Maximum Principal Amount of \$999.7 million at an interest rate of 4.48%, and Tranche B (“Cost Overrun Tranche”) in the amount of \$487.3 million at an interest rate of 4.48% with a maturity date of June 1, 2073.

The State of New Jersey’s commitment to the repayment of the loan borrowings consists of two (2) tranches. Tranche A is for a Maximum Principal Amount of \$215.7 million at an interest rate of 4.48%, and Tranche B (“Cost Overrun Tranche”) in the amount of \$487.3 million at an interest rate of 4.48% with a maturity date of February 1, 2073.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 8 – DEBT AND OTHER OBLIGATIONS (Continued)

The PANYNJ's commitment to the repayment of the loan borrowings is for a Maximum Principal Amount of \$1.87 billion at an interest rate of 4.48% with a maturity date of April 15, 2069.

During the year, the Commission drew a total of \$59.1 million on the three (3) RRIF loans. The following is a schedule of the loan balance by funding partners:

<u>Funding Partner</u>	<u>Amount</u>
Port Authority of New York/New Jersey (PANYNJ)	\$ 43,938,197
State of New Jersey, Department of Transportation	4,155,406
State of New York	19,254,951
	\$ 67,348,554

The RRIF loan payable balance on December 31, 2025, is \$67.3 million. In 2026, the Commission made subsequent RRIF loan draws in the amount of \$43.9 million.

The long-term RRIF loan payable maturities as of December 31, 2025:

<u>Fiscal Year</u>	<u>Principal *</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030-2034	-	1,470,923	1,470,923
2035-2039	812,773	15,623,704	16,436,477
2040-2044	5,886,754	14,881,975	20,768,729
2045-2049	7,346,694	13,422,035	20,768,729
2050-2054	9,168,538	11,600,191	20,768,729
2055-2059	11,442,167	9,326,562	20,768,729
2060-2064	14,279,503	6,489,226	20,768,729
2065-2069	16,433,529	2,948,034	19,381,563
2070-2073	4,422,905	405,046	4,827,951
	\$ 69,792,863	\$ 76,167,696	\$ 145,960,559

* The principal balance of \$69.8m includes \$2.4m of accrued capitalized interest.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 9– CAPITAL CONTRIBUTIONS

Grants and other contributions used to acquire capital assets are classified as Capital Contributions in the Statement of Revenues, Expenditures and Changes in Net Position. Capital contributions consisted of the following for the year ended December 31, 2025:

<u>Source:</u>	<u>Total</u>
Federal Transit Administration-Capital Investment Grant	\$ 81,715,193
Federal Transit Administration- BUILD Grant	6,089,769
RRIF Loans due from Funding Partners	88,440,050
Federal Railroad Administration - Federal/State Partnership	276,502,911
	\$ 452,747,923

NOTE 10– OUTSTANDING CONTRACTS

As of December 31, 2025, the Commission had entered into construction contracts totaling approximately \$2.0 billion for construction and construction management services. These contracts are related to the Tonnelle Avenue Bridge Project, the Hudson River Ground Stabilization (HRGS), Manhattan Tunnel, and the Palisades Tunnel projects.

NOTE 11– CONTINGENCIES

The Commission has a potential payment to the Port Authority of New York and New Jersey (“PANYNJ”) of approximately \$44.0 million, consisting of some expenditures that pre-date the Commission. The Commission had submitted an HTP Financial Plan as part of the Commission’s request to advance to a Full Funding Grant Agreement (FFGA). The FFGA was secured in July 2024. A financing component of this plan is a RRIF loan to the Commission through the USDOT. The proceeds from this RRIF loan will be used to repay the Port Authority. In the unlikely event that the loan cannot be procured, alternative funding arrangements would need to be explored.

Litigation

Various lawsuits and other claims occur in the normal course of business and are pending against the Commission. Management, after consultation with legal counsel, is of the opinion that the lawsuits and other claims, when received, will not have a material effect on the accompanying financial statements.

NOTE 12– RISK DISCLOSURES

Effective January 1, 2025, the Commission adopted GASB statement 102; *Certain Risk Disclosures* (GASB 102). GASB 102 requires disclosure of significant risks related to vulnerabilities from certain concentrations and constraints that could impact on the Commission’s ability to fund project costs or meet its obligations as they come due. The required disclosures apply if the Commission is aware of the concentration or constraint prior to issuing the financial statements and if an event related to the concentration or constraint has occurred or is more likely than not to occur within 12 months of the financial statement date and is expected to have a significant effect within 3 years.

**GATEWAY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

NOTE 12– RISK DISCLOSURES (Continued)

The Commission has identified a concentration of risk created by the limited revenue sources of its funding for the HTP. The Commission places a high reliance on this single source of grant and loan funds through the USDOT to support the construction of the HTP.

In association with the above mentioned concentration of risk due to limited revenue sources, the Commission has also identified a constraint on the ability to access and drawdown federal grant funds if the federal government imposes a shutdown on the funding of the HTP. Interruptions in the ability for the Commission to draw down the reimbursement of funds creates a significant cash flow concern. The Commission is aware that interruptions in funding place a burden on its cash position, but the Commission has been able to mitigate these effects through additional borrowing made available through its credit facility.

No financial statement impact was made due to the constraint referred to above. Management will continue to monitor and assess any potential impact on its financial statements due to concentrations and constraints, in accordance with the requirements of GASB 102.

APPENDIX C

**BYLAWS OF
GATEWAY DEVELOPMENT COMMISSION**

**ARTICLE I
DEFINITIONS**

Section 1.01	Definitions	1
--------------	-------------------	---

**ARTICLE II
COMMISSIONERS**

Section 2.01	Board of Commissioners	1
Section 2.02	Term of Commissioners	1
Section 2.03	Removal of Commissioners.....	2
Section 2.04	Co-Chairpersons	2
Section 2.05	Vice-Chairperson.....	2
Section 2.06	Vacancy; Resignation.....	2
Section 2.07	Other Commission Service.....	2

**ARTICLE III
OFFICERS**

Section 3.01	Initial Officers	3
Section 3.02	Additional Officers.....	4
Section 3.03	Appointment of Officers.....	4
Section 3.04	Removal of Officers	4
Section 3.05	Vacancy; Resignation.....	4
Section 3.06	Delegation	4

**ARTICLE IV
BOARD MEETINGS AND DECISION-MAKING**

Section 4.01	Timing of Meetings	5
Section 4.02	Notice of Meetings	5
Section 4.03	Attendance.....	5
Section 4.04	Quorum	5
Section 4.05	Voting Procedures	5
Section 4.06	Board Action	5
Section 4.07	Recusal	6
Section 4.08	Order of Business	6
Section 4.09	Governor Veto.....	6
Section 4.10	Policies	6

**ARTICLE V
PUBLIC HEARINGS**

Section 5.01	Public Hearings	6
Section 5.02	Process.....	6

*Bylaws of Gateway Development Commission
Adopted March 5, 2021, Amended July 12, 2021, December 12, 2024*

Section 5.03 Establishing, Levying and Collecting Tolls or Fees 7

ARTICLE VI
COMMITTEES

Section 6.01 Committees..... 8

ARTICLE VII
DEFENSE AND INDEMNIFICATION OF INDIVIDUALS

Section 7.01 Defense..... 8
Section 7.02 Counsel..... 8
Section 7.03 Indemnification 8
Section 7.04 Settlement and Final Judgment..... 9
Section 7.05 Fines and Penalties 9
Section 7.06 Punitive Damages..... 9
Section 7.07 Cooperation 9
Section 7.08 Third Parties 10
Section 7.09 Immunity 10
Section 7.10 Rules and Regulations 10
Section 7.11 Limitations 10

ARTICLE VIII
FINANCES, REPORTING, DISCLOSURE

Section 8.01 Fiscal Year..... 10
Section 8.02 Annual Operating Budget..... 10
Section 8.03 Annual Financial Statements and Audit 10
Section 8.04 Comprehensive Annual Financial Report..... 11

ARTICLE IX
RESERVATION OF POWERS

Section 9.01 Reservation of Powers..... 12

ARTICLE X
AMENDMENTS

Section 10.01 Amendments..... 12

SCHEDULE A – DEFINITIONS

**ARTICLE I
DEFINITIONS**

Section 1.01 Definitions. Except as otherwise expressly provided herein, capitalized terms used herein shall have the meanings assigned to them in Schedule A.

**ARTICLE II
COMMISSIONERS**

Section 2.01 Board of Commissioners. The business and affairs of the Gateway Development Commission (the “Commission”) shall be managed by or under the direction of the Board of Commissioners (the “Board”). In accordance with the Gateway Development Commission Act (2019 N.Y. Sess. Laws ch. 108 and 2019 N.J. Sess. Law Serv. ch. 195) (collectively, the “GDC Act”), the Board shall consist of seven Commissioners:

(a) three Commissioners appointed by the Commissioner of the New York State Department of Transportation with the advice and consent of the New York State Senate (the “New York Commissioners”); provided that, the initial New York Commissioners shall be appointed by the Commissioner of the New York State Department of Transportation to serve for one year of the initial three-year term without such advice and consent and the Commissioner of the New York State Department of Transportation shall thereafter appoint Commissioners by and with the advice and consent of the New York State Senate for the remaining two years of such term;

(b) three Commissioners appointed by the Governor of New Jersey with the advice and consent of the New Jersey Senate (the “New Jersey Commissioners”); provided that, each New Jersey Commissioner shall be a resident voter of New Jersey at the time of appointment and while serving on the Commission and shall have been a resident voter of New Jersey for at least the two years immediately preceding appointment; provided further that, the Governor of New Jersey may appoint the individual serving as trustee of the Gateway Program Development Corporation, a New Jersey nonprofit corporation, at the time of the effective date of the GDC Act, as a New Jersey Commissioner and such individual may be seated without the advice and consent of the New Jersey Senate; and

(c) one Commissioner appointed by the National Railroad Passenger Corporation, a corporation organized under 49 U.S.C. § 24101 *et seq.* and the laws of the District of Columbia (“Amtrak”) (the “Amtrak Commissioner”). Amtrak may designate alternate Commissioners who are officers of Amtrak to serve in the event of the (i) absence, whether due to unavailability or incapacity, of the Amtrak Commissioner; or (ii) recusal of the Amtrak Commissioner pursuant to Section 4.07.

Section 2.02 Term of Commissioners. Except as provided under Section 2.01(a), the term of each Commissioner shall be three years. Each Commissioner may be reappointed pursuant to the laws of the State from which the Commissioner is appointed or, for the Amtrak Commissioner, pursuant to any rule or policy adopted by Amtrak. A Commissioner may automatically continue to serve following the expiration of such Commissioner’s term until a successor is appointed and seated unless such action is prohibited by the laws of the applicable State or, for the Amtrak Commissioner, any rule or policy adopted by Amtrak. At the conclusion

of a Commissioner's term, the Commissioner may be reappointed for a successive three-year term at the pleasure of the party that appointed that Commissioner. In the event that a Commissioner ceases to serve before the stated expiration of the Commissioner's term, the party that appointed the Commissioner may appoint a replacement to serve the remainder of the replaced Commissioner's term and thereafter the vacancy shall be filled as provided for in Section 2.01.

Section 2.03 Removal of Commissioners. Each of the Governor of New York, the Governor of New Jersey or Amtrak may remove a commissioner appointed by such office or entity in accordance with the GDC Act.

Section 2.04 Co-Chairpersons. The two Co-Chairpersons of the Commission (each, a "Co-Chairperson") shall consist of one Co-Chairperson selected from the New Jersey Commissioners (the "New Jersey Co-Chairperson") and one Co-Chairperson selected from the New York Commissioners (the "New York Co-Chairperson") as follows:

(a) the New Jersey Co-Chairperson shall be selected from the three New Jersey Commissioners and shall be determined by the affirmative vote of at least two of the New Jersey Commissioners; provided that, the New Jersey Co-chairperson shall be a resident voter of New Jersey at the time of selection and shall have been a resident voter of New Jersey for at least the two years immediately preceding selection as co-chairperson; and

(b) the New York Co-Chairperson shall be selected from the three New York Commissioners and shall be determined by the affirmative vote of at least two of the New York Commissioners.

The Co-Chairpersons shall communicate to the Chief Executive Officer and, where appropriate, executive staff, the policies of the Commission established by the Board, and be responsible for presiding over Meetings of the Board and advancing the mission and promoting the objectives of the Commission to members of the general public. To the extent practicable, the New York Co-Chairperson shall preside at Meetings of the Board held in New York and the New Jersey Co-Chairperson shall preside at Meetings of the Board held in New Jersey.

Section 2.05 Vice-Chairperson. The Amtrak Commissioner shall be the Vice-Chairperson of the Commission (the "Vice-Chairperson"). The Vice-Chairperson shall assist the Co-Chairpersons in their duties and shall preside at any Meeting of the Board at which a Co-Chair is not present.

Section 2.06 Vacancy; Resignation. A vacancy shall be deemed to exist at the occurrence of the incapacity, death, removal or resignation of a Commissioner. A Commissioner may resign from office at any time. Such resignation shall be made in writing to the Board filed with the Secretary, with copy to the party that appointed such Commissioner, and shall take effect at the future time specified therein, and if no time is specified, at the time of its receipt by the Secretary. The acceptance of a resignation by the Board shall not be necessary to make it effective.

Section 2.07 Other Commission Service. No Commissioner, including any Co-Chairperson or Vice-Chairperson, shall serve as any other officer or employee of the Commission while serving as a Commissioner.

**ARTICLE III
OFFICERS**

Section 3.01 Initial Officers. The initial Officers of the Commission shall include the following:

(a) *Chief Executive Officer* – The Chief Executive Officer shall manage the operations of the Commission in accordance with the Commission’s policies as established by the Board and these Bylaws. The Chief Executive Officer may prepare proposals for presentation to the Board that carry out approved policies and may propose policies to the Board for adoption. The Chief Executive Officer is authorized to determine and prescribe the duties of new and existing positions and the qualifications for appointments to such positions and make and terminate appointments to the Commission staff and shall hold staff responsible and accountable for making financial, management and operational decisions in accordance with the policies established by the Board. To assist in the performance of his or her duties, the Chief Executive Officer is authorized to retain outside advisors in accordance with policies established by the Board.

(b) *Chief Administrative Officer* – The Chief Administrative Officer shall be responsible for overseeing the day-to-day administration and internal structure of the Commission and the performance of such other duties as may be assigned by the Board or the Chief Executive Officer.

(c) *Chief Financial Officer* – The Chief Financial Officer shall be in charge of the books and accounts of the Commission and shall be responsible for payments to and expenditures by the Commission and the performance of such other duties as may be assigned by the Board or the Chief Executive Officer. The Chief Financial Officer shall have custody of all funds and be responsible for investments of the Commission and shall deposit or cause to be deposited all moneys, evidences of indebtedness and other value documents of the Commission in the name and to the credit of the Commission in such banks or depositaries as the Board may designate. The Chief Financial Officer is authorized to sign financial instruments on behalf of the Commission and shall be an authorized signatory for the Commission with respect to any other documents incident to carrying out the Chief Financial Officer’s responsibilities.

(d) *General Counsel* – The General Counsel shall be legal counsel to the Commission and shall furnish legal opinions, advice, counsel and representation as may be required from time to time by the Board or the Chief Executive Officer. During any vacancy of the office of Chief Ethics and Compliance Officer, including during the period prior to the initial establishment and appointment of the Chief Ethics and Compliance Officer by the Commission, the General Counsel shall perform the duties of the Chief Ethics and Compliance Officer set forth in the GDC Act and in accordance with the rules, regulations and policies adopted by the Board. During any vacancy of the office of Inspector General, including during the period prior to the initial establishment and appointment of the Inspector General by the Commission, the General Counsel shall perform the duties of the Inspector General set forth in the GDC Act and in accordance with the rules, regulations and policies adopted by the Board. In performing the duties of the Inspector General, the General Counsel shall consult with the Co-Chairpersons in determining how best to approach the investigation of claims of fraud, waste, or abuse where the General Counsel believes it appropriate to appoint an independent third-party investigator, which

may include external auditors, outside counsel or other external investigators. To assist in the performance of his or her duties, with the approval of the Chief Executive Officer, the General Counsel is authorized to retain outside counsel in accordance with policies established by the Board.

(e) *Secretary* – The Secretary shall perform such duties as shall be assigned from time to time by the Chief Executive Officer, shall keep the official records and the seal of the Commission and, when required, shall certify copies of records.

Section 3.02 Additional Officers. In addition to the initial Officers identified in Section 3.01, the Officers shall include the officers set forth below when established by the Board by resolution and such other officers as the Board may designate by resolution; provided that, the Chief Ethics and Compliance Officer and the Inspector General are not required to be established until the Commission is in receipt of necessary federal funding for purposes of facilitating the Project.

(a) *Chief Ethics and Compliance Officer* – The Chief Ethics and Compliance Officer shall be responsible for developing and administering the Commission’s compliance program and shall advise on conflicts of interest and on federal and state ethics requirements.

(b) *Inspector General* – The Inspector General shall be responsible for receiving and investigating, where appropriate, all complaints regarding fraud, waste and abuse by Commissioners, Officers and employees or third-parties doing business with the Commission, including administering the Commission’s whistleblower access and assistance program. The Inspector General shall also be responsible for conducting investigations upon the Inspector General’s own initiative, as the Inspector General may deem appropriate.

Section 3.03 Appointment of Officers. Each Officer shall be appointed by the Board and shall serve at the pleasure of the Board and shall hold his or her respective office until the appointment of his or her successor or until his or her incapacity, death, removal or resignation. A person may hold more than one office.

Section 3.04 Removal of Officers. Any Officer may be removed, with or without cause, by the Board.

Section 3.05 Vacancy; Resignation. A vacancy shall be deemed to exist at the occurrence of the incapacity, death, removal or resignation of an Officer. An Officer may resign from office at any time. Such resignation shall be made in writing to the Board filed with the Secretary, and shall take effect at the future time specified therein, and if no time is specified, at the time of its receipt by the Secretary. The acceptance of a resignation by the Board shall not be necessary to make it effective. Any such vacancy may be filled by the Board.

Section 3.06 Delegation. The Board may delegate in whole or in part any power, authority, discretion or obligation to any Officer, in each case to the extent to which the Board deems appropriate.

**ARTICLE IV
BOARD MEETINGS AND DECISION-MAKING**

Section 4.01 Timing of Meetings. The Board shall meet regularly as it may determine. The time and place for all Meetings shall be determined by the Co-Chairpersons; provided that, to the maximum extent practicable, Meetings shall be held on an alternating basis in New Jersey and New York.

Section 4.02 Notice of Meetings.

(a) *Notice to Commissioners*. The Secretary shall give notice to the Commissioners of all Meetings, specifying the time and place of the Meeting, by mail, electronic communication, telephone or in person, in each case at least three days before such Meeting. Any Commissioner may waive the requirement that such Commissioner receive such notice.

(b) *Public Notice*. At least five Business Days before any Meeting of the Board or any Committee thereof, the Secretary shall provide notice of the time and place of such Meeting to appropriate media outlets, conspicuously post such notice in one or more areas designated by the Co-Chairpersons and conspicuously post such notice on the Commission's official website. The Commission shall make meeting agendas available to the public at least seventy-two hours before each meeting. No later than 72 hours before such Meeting or as soon as practicable, the Secretary shall make the agenda and any public documents pertaining to such Meeting available for public inspection at an office of the Commission and post such agenda and such public documents on the Commission's website.

Section 4.03 Attendance. A Commissioner may participate in a Meeting by videoconference or teleconference when necessary under the circumstances.

Section 4.04 Quorum. A Meeting of the Board shall not be duly organized for the transaction of Commission business unless a quorum is present. The attendance of at least two New York Commissioners, two New Jersey Commissioners and the Amtrak Commissioner shall constitute a quorum.

Section 4.05 Voting Procedures. In order for the Board to take an action, a motion must be made by a Commissioner and seconded by a different Commissioner. Votes of the Board shall be taken by voice or show of hands or any other method selected by the person presiding at the Meeting.

Section 4.06 Board Action. Action may be taken and motions and resolutions adopted by the Commission at any Meeting of the Board by the affirmative vote of at least two New York Commissioners, two New Jersey Commissioners and the Amtrak Commissioner. In the event that the recusal of two New York Commissioners or two New Jersey Commissioners precludes obtaining the requisite number of affirmative votes otherwise required by this section, the affirmative vote of the remaining Commissioner of that State shall be sufficient. In the event that the recusal or absence of the Amtrak Commissioner precludes obtaining the requisite number of affirmative votes otherwise required by this section, the affirmative vote of an alternate Commissioner designated by Amtrak shall be required.

Section 4.07 Recusal. A Commissioner shall recuse himself or herself from any Board or committee discussions or decisions to the extent such recusal is required by the Conflicts of Interest Policy and Code of Ethics for Commissioners and Officers adopted by the Board. If a Commissioner has determined to recuse as to a particular matter, the Commissioner shall promptly notify the General Counsel of the Commission, disclose that fact and refrain from participating in any discussion or vote concerning that matter. The public shall be informed of any recusals prior to any Board action, and the minutes shall clearly reflect that recusal.

Section 4.08 Order of Business. The order of business at each Meeting of the Board shall be determined by the Co-Chairpersons.

Section 4.09 Governor Veto.

(a) *Transmission of Minutes; Effectiveness*. The minutes of every Meeting of the Board shall be forthwith transmitted, by and under the certification of the Commission, to the Governors of New York and New Jersey. No action taken at any Meeting by any Commissioner appointed by a State shall have force or effect for a period of 10 Business Days, after the minutes shall have been so transmitted and delivered unless the Governor of such State shall finally approve the minutes or any part thereof, reciting any such action, within said 10 Business Day period.

(b) *Certification of Minutes*. The minutes shall be certified as true and correct by the Secretary on behalf of the Commission and need not be approved by the Commission prior to transmittal to the Governors.

(c) *Governor Veto*. Each Governor shall, within 10 Business Days, after the minutes shall have been so delivered pursuant to Section 4.09(a), return or cause such minutes to be returned to the Commission either with or without his or her veto on any action recorded in such minutes as having been taken by any Commissioner appointed from such Governor's State. If the Governor (i) does not return or cause to be returned the minutes to the Commission within such 10 Business Day period or (ii) finally approves the minutes in accordance with Section 4.09(a) above, any action recorded in such minutes as having been taken at such Meeting by any Commissioner appointed from such Governor's State shall have force and effect in accordance with the terms described in such minutes.

Section 4.10 Policies. The Commission shall adopt such rules, regulations, guidelines and policies as required by the GDC Act.

ARTICLE V PUBLIC HEARINGS

Section 5.01 Public Hearings. Public hearings shall be held as required by the GDC Act.

Section 5.02 Process. Pursuant to direction by the Board, the Chief Executive Officer shall have authority to arrange for public hearings, in connection with the budgeting, planning and programming of the Commission, including proposals for establishing, levying or collecting a toll or fee imposed by the Commission or relating to any increase in any such toll or fee, in each case,

subject to compliance with the requirements set forth in, and in accordance with, the GDC Act. In connection therewith, the Chief Executive Officer shall:

- (a) determine the dates, times and locations in each of the two States for the conduct of such hearings, which shall be designed to encourage the broadest possible attendance and participation;
- (b) provide for appropriate notice to be given not less than 72 hours in advance of such hearings;
- (c) designate hearing officers (if any) for such hearings;
- (d) arrange for transcripts and reports of the hearings, which shall be made available to all Commissioners prior to the consideration of any proposal; and
- (e) take such other action as will effectuate the requirements under the GDC Act or the Commission's policy, as established by the Board, for the conduct of public hearings.

Section 5.03 Establishing, Levying and Collecting Tolls or Fees. Not less than 30 days and not more than 90 days prior to any vote or action taken by the Board to establish, levy, or collect a toll or fee imposed by the Commission or relating to any increase in a toll or fee, in each case, subject to compliance with the requirements set forth, in and in accordance with, the GDC Act, the Commission shall conduct at least three public hearings as follows:

(a) Locations for public hearings shall be selected in such a way as to be geographically accessible to a majority of users of the facility or facilities to be impacted by the toll or fee, provided that at least one hearing shall be held in each State.

(b) Not less than 72 hours before the first hearing held pursuant to this Section 5.03, the Commission shall make the following information available to the public, including posting on the Commission's website:

(i) a written explanation of why the toll or fee, or any increase in a toll or fee, is necessary;

(ii) the amount of revenue expected to be generated from the establishment of or increase in the toll or fee; and

(iii) a detailed explanation of how the revenue raised from the establishment of or increase in the toll or fee is expected to be spent.

(c) Each hearing shall be attended by at least two New York Commissioners and two New Jersey Commissioners.

(d) The Commission shall hold no more than one public hearing in a single day and each public hearing shall be scheduled to begin after 6:30 p.m., Eastern Standard Time, on a Business Day.

(e) The Commission shall ensure that each of the requirements set forth in this Section 5.03 shall be complied with before placing on the Meeting agenda of the Board any item or matter establishing, levying, or collecting a toll or fee or relating to an increase in any toll or fee.

ARTICLE VI COMMITTEES

Section 6.01 Committees. The Board may establish standing or ad hoc committees (each, a "Committee") with such duties and powers as conferred by Board resolution.

ARTICLE VII DEFENSE AND INDEMNIFICATION OF INDIVIDUALS

Section 7.01 Defense. Upon compliance by any Indemnified Party with the provisions of Section 7.07, the Commission shall provide for the defense of such Indemnified Party in any civil action or proceeding in any state or federal court (i) arising out of any alleged act or omission that occurred or is alleged in the complaint to have occurred while the individual was acting within the scope of employment or duties with the Commission or (ii) that is brought pursuant to Section 1981 or 1983 of Title 42 of the United States Code and the act or omission underlying the action occurred or is alleged in the complaint to have occurred while the individual was acting within the scope of employment or duties with the Commission. The Commission shall not provide for a defense where such civil action or proceeding is brought by or on behalf of the Commission or to recover funds of the Commission.

Section 7.02 Counsel. Where an individual seeking indemnification delivers process and a request for a defense to the General Counsel, as required by Section 7.07, the General Counsel shall take the necessary steps on behalf of the individual in order to avoid entry of a default judgment pending resolution of any question pertaining to the determination to provide for a defense. The General Counsel or outside counsel to the Commission may represent such individual to the extent permitted by applicable legal ethics rules; provided that, the General Counsel shall, with the approval of the Chief Executive Officer (in accordance with policies adopted by the Board), assign outside counsel where the General Counsel determines, based upon an investigation and review of the facts and circumstances of the case, that representation by the General Counsel would be inappropriate; or whenever a court of competent jurisdiction determines that a conflict of interest exists and that the individual is entitled to be represented by outside counsel.

Section 7.03 Indemnification. The Commission shall indemnify and hold harmless each Indemnified Party against any loss, damage, expense, liability or claim (or action in respect thereof); provided that, the act or omission from which such loss, damage, expense, liability or claim (or action in respect thereof) arose occurred while the Indemnified Party was acting within the scope of employment or duties with the Commission; and provided further that, the Commission shall not indemnify and hold harmless or pay under this ARTICLE VII where the injury or damage resulted from actual fraud, actual malice, willful misconduct, or intentional wrongdoing or gross negligence on the part of the party seeking indemnification or where the Commission has brought the action. The Commission also agrees to indemnify and hold harmless each Indemnified Party against and to periodically reimburse each Indemnified Party for any and

all expenses whatsoever (including legal and other fees and expenses) incurred by such Indemnified Party in connection with investigating, preparing for or defending against any such losses, damages, expenses, liabilities or claims (or actions in respect thereof) within a reasonable time after such expenses are incurred. The Commission also agrees that no Indemnified Party shall have any liability, in tort or contract or otherwise, to the Commission or any person asserting a claim on behalf of or in the right of the Commission, except to the extent that any loss, damage, expense, liability or claim incurred by the Commission arises from such Indemnified Party's actual fraud, actual malice, intentional wrongdoing, gross negligence, bad faith or willful misconduct.

Section 7.04 Settlement and Final Judgment. Any proposed settlement or final judgment that may be subject to indemnification or payment by the Commission in accordance with these Bylaws, if not inconsistent with the provisions of this ARTICLE VII, shall, as applicable, be authorized for payment in accordance with the provisions of these Bylaws; provided that, the General Counsel has determined that such proposed settlement or final judgment is in the best interest of the Commission. Nothing in this ARTICLE VII shall be construed to authorize the Commission to indemnify and hold harmless or pay an Indemnified Party with respect to a settlement not so reviewed and approved by the General Counsel.

Section 7.05 Fines and Penalties. Nothing in this ARTICLE VII shall require the Commission to indemnify or hold harmless an Indemnified Party with respect to fines or penalties; provided that, the Commission shall indemnify and hold harmless an Indemnified Party in the amount of any costs, attorneys' fees, damages, fines or penalties that may be imposed by reason of an adjudication that an Indemnified Party, acting within the scope of employment or duties with the Commission, has, without willfulness or intent, violated a prior order, judgment, consent decree or stipulation of settlement entered in any court of New York or New Jersey or of the United States.

Section 7.06 Punitive Damages. The Commission may, in accordance with applicable law, provide for a defense when punitive damages are sought or criminal charges are asserted, in connection with any alleged act or omission that occurred or is alleged in the complaint to have occurred while the individual was acting within the scope of employment or duties with the Commission, based upon an investigation and review of the facts and circumstances and a determination by counsel to the Commission that provision of such defense would be in the best interest of the Commission; provided that, the Commission shall provide reimbursement of defense costs incurred by or on behalf of an Indemnified Party in defense of a criminal proceeding arising out of such an act or omission, upon acquittal or dismissal of the criminal charges. Furthermore, the Commission may, consistent with applicable law, indemnify or hold harmless an Indemnified Party with respect to punitive damages, fines or penalties, based upon an investigation and review of the facts and circumstances of the case and a determination by counsel to the Commission that to indemnify and hold harmless such Indemnified Party would be in the best interest of the Commission.

Section 7.07 Cooperation. The benefits of this ARTICLE VII with respect to any proposed settlement or final judgment shall be conditioned upon (i) delivery to counsel to the Commission of the original or a copy of any summons, complaint, process, notice, demand or pleading within five days after receipt or service of such document, such delivery being deemed a request by the party seeking indemnification that the Commission provide for defense pursuant to

this ARTICLE VII; (ii) the full cooperation of the Indemnified Party in the defense of such action or proceeding and in defense of any action or proceeding against the Commission based upon the same act or omission and in the prosecution of any appeal; and (iii) the agreement of the Indemnified Party that the Commission shall be entitled to withdraw such defense and demand reimbursement from such party for costs incurred in connection with such defense in the event that, upon further discovery, indemnification is not required or otherwise warranted under this ARTICLE VII.

Section 7.08 Third Parties. The benefits of this ARTICLE VII shall inure only to an Indemnified Party and shall not enlarge or diminish the rights of any other party. This ARTICLE VII shall not in any way affect the obligation of any claimant to give any notice otherwise required by any provision of law. The provisions of this ARTICLE VII shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

Section 7.09 Immunity. Except as otherwise specifically provided herein, the provisions of this ARTICLE VII shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity available to or conferred upon any unit, entity, Commissioner, Officer or employee of the Commission or any right to defense or indemnification provided for any governmental officer or employee by, in accordance with, or by reason of, any other provision of state or federal statutory or common law.

Section 7.10 Rules and Regulations. In compliance with policies established by the Board, the Chief Executive Officer is authorized to adopt such procedures as are necessary to effectuate the purposes of this ARTICLE VII.

Section 7.11 Limitations. Notwithstanding anything in this ARTICLE VII to the contrary, any obligation of the Commission to indemnify or to provide for the defense of a Commissioner shall be reduced or limited to the extent such Commissioner is indemnified or defended by New York, New Jersey or Amtrak.

ARTICLE VIII FINANCES, REPORTING, DISCLOSURE

Section 8.01 Fiscal Year. Except as otherwise determined by the Board, the fiscal year of the Commission shall end on December 31 of each year.

Section 8.02 Annual Operating Budget. The Commission shall prepare a detailed annual operating budget for each fiscal year. A preliminary annual operating budget and a final annual operating budget shall be made publicly available on the Commission's website each fiscal year. The time within which such preliminary annual operating budget and final annual operating budget shall be made public during each fiscal year shall be determined by the Commission.

Section 8.03 Annual Financial Statements and Audit.

(a) The Commission shall prepare financial statements on an annual basis, in accordance with generally accepted accounting principles ("GAAP"), and the accounting

standards issued by the Governmental Accounting Standards Board (“GASB”). All audited financial statements and all unaudited interim financial statements prepared pursuant to this Section 8.03 shall be approved by the Board. As a condition to the issuance of the audited annual financial statements of the Commission, the Chief Executive Officer and the Chief Financial Officer shall be required to make a written certification as required pursuant to the GDC Act.

(b) The Board shall arrange for an independent firm of certified public accountants to perform an audit of the financial statements of the Commission each year, in accordance with generally accepted accounting principles and standards referenced in Section 8.03(a). Each independent firm of certified public accountants that performs any audit required by this section shall timely report to the Board:

(i) all critical accounting policies and practices to be used; and

(ii) other material written communications, that is not privileged or confidential, between the independent firm of certified public accountants and the management of the Commission, including the management letter along with management’s response or plan of corrective action, material corrections identified, or schedule of unadjusted differences.

(c) Notwithstanding any other provision of law to the contrary, the Commission shall not contract with an independent firm of certified public accountants for audit services to the authority if:

(i) the lead or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for the two previous fiscal years of the Commission;

(ii) the firm is performing any non-audit services to such Commission contemporaneously with the audit; and

(iii) the Chief Executive Officer, Chief Financial Officer or any other person serving in an equivalent position for the Commission, was employed by that independent firm of certified public accountants and participated in any capacity in the audit of the Commission during the one-year period immediately preceding the date of the initiation of the audit.

(d) The Commission shall make accessible to the public on its website an executive summary of its most recent independent audit report unless such information is exempt from disclosure pursuant to either State’s freedom of information laws.

Section 8.04 Comprehensive Annual Financial Report. In addition, the Commission shall prepare and distribute a comprehensive annual financial report as required pursuant to the GDC Act, which shall address progress during the prior fiscal year with regard to development

and construction activities, capital expenditures, and procurement and financial matters and such other matters as required by the GDC Act.

**ARTICLE IX
RESERVATION OF POWERS**

Section 9.01 Reservation of Powers. The powers not delegated by these Bylaws are reserved to the Board. The powers vested in any Officer shall not be construed or deemed to affect the power of the Board to act in any case but where the Board exercises a power in any such case, such action shall not be construed or deemed to affect the power of any Officer to act in similar cases in the future.

**ARTICLE X
AMENDMENTS**

Section 10.01 Amendments. These Bylaws may be amended by resolution duly adopted at any Meeting of the Board; provided that, notice of intention to present such resolution shall be given to the Secretary at least 72 hours in advance of the Meeting at which the motion to adopt such resolution is made. Such notice may be given by any Commissioner or by any Committee (or by the Secretary at the request of any Commissioner or any Committee). Such notice shall be given to all Commissioners by mail, electronic communication, telephone or in person, at least 72 hours before the Meeting. Following such notice, any motion to amend the subject resolution may be made without additional notice.

SCHEDULE A

DEFINITIONS

“Amtrak” has the meaning given thereto in Section 2.01.

“Amtrak Commissioner” has the meaning given thereto in Section 2.01.

“Board” has the meaning given thereto in Section 2.01.

“Business Day” means a day other than, Saturday, Sunday or a public holiday in New York or New Jersey.

“Chief Administrative Officer” has the meaning given thereto in Section 3.01(b).

“Chief Ethics and Compliance Officer” has the meaning given thereto in Section 3.01(d).

“Chief Executive Officer” has the meaning given thereto in Section 3.01(a).

“Chief Financial Officer” has the meaning given thereto in Section 3.01(b).

“Co-Chairperson” has the meaning given thereto in Section 2.04.

“Commission” has the meaning given thereto in Section 2.01.

“Committee” has the meaning given thereto in Section 6.01.

“GAAP” has the meaning given thereto in Section 8.03.

“GASB” has the meaning given thereto in Section 8.03.

“GDC Act” has the meaning given thereto in Section 2.01.

“General Counsel” has the meaning given thereto in Section 3.01(d).

“Indemnified Party” means a current or former Commissioner, Officer or employee of the Commission or the estate or judicially appointed personal representative of any such person.

“Inspector General” has the meaning given thereto in Section 3.01(d).

“Meeting” means any gathering, whether corporeal or by means of communication equipment, that is attended by, or open to, the Board or any Committee thereof, held with the intent, on the part of the Commissioners present, to act as a unit upon the specific Public Business of the Commission or such Committee. “Meeting” does not mean a gathering (i) attended by less than a quorum of Commissioners; (ii) in which the Board or such Committee is engaged in ordinary course supervision of Commission staff; (iii) in which Commission business matters are informally discussed without the intent or effect of effectuating any action of the Commission; or

(iv) attended by or open to all the members of three or more similar public bodies at a convention or similar gathering.

“New Jersey” means the State of New Jersey.

“New Jersey Co-Chairperson” has the meaning given thereto in Section 2.01.

“New Jersey Commissioners” has the meaning given thereto in Section 2.01.

“New York” means the State of New York.

“New York Co-Chairperson” has the meaning given thereto in Section 2.01.

“New York Commissioners” has the meaning given thereto in Section 2.01.

“Officers” means the officers described in Section 3.01 and Section 3.012.

“Project” means a passenger rail transportation project between Penn Station, Newark, New Jersey and Penn Station, New York, New York currently referred to as the “Gateway Program” consisting of:

(i) phase one of the Project including: the replacement of the existing Portal Bridge; the construction of a tunnel connecting the states of New York and New Jersey and the completion of certain ancillary facilities including construction of concrete casing at Hudson Yards in Manhattan, New York; the rehabilitation of the existing North River Tunnels; all Projects necessary to connect the aforesaid Projects to the contiguous Amtrak Northeast Corridor Facilities; and

(ii) phase two of the Project including: the Portal South Bridge Project; the Sawtooth Bridge replacement Project; the Secaucus Loop Project; the Secaucus Junction renovation and expansion Project; and the Penn Station South Project, and other related Projects, but only if such phase two projects are authorized pursuant to a memorandum of understanding between the Governor of New York, the Governor of New Jersey and Amtrak.

“Public Business” means matters that relate in any way, directly or indirectly, to the performance of the functions of the Commission or the conduct of its business.

“Secretary” has the meaning given thereto in Section 3.01(e).

“State” means New York or New Jersey.

“Vice-Chairperson” has the meaning given thereto in Section 2.05.

APPENDIX D

Full name	Position Title
Prendergast, Thomas F.	Chief Executive Officer
Rinaldi, Catherine	Executive Vice President
Lee, Steve T.	Head of Audit Oversight
Fletcher, S. William	Inspector General
Anderson, Maria C.	Acting General Counsel
Sigmund, Stephen	Chief of Public Outreach
Hickman, Robert A.	Chief of Federal Affairs
McDonnell, Madeleine	Chief of Strategy and Operations
Rosenbloom, Adam L.	Chief Program Officer
Starace, James	Chief of Program Delivery
McCoy, Patrick J.	Chief Financial Officer
Gardner, Anthony L.	Deputy Chief of Administration – Procurement
Lopez, Nivardo	Principal Deputy Chief of Planning, Contracts and Grants
Nejad, Hamed	Chief Engineer
Lee, Milly	Deputy Chief Financial Officer

Maria Anderson

Maria C. Anderson is the Acting General Counsel, Acting Board Secretary, Acting Chief Ethics and Compliance Officer, and Acting Equal Employment Officer for the Gateway Development Commission. In these roles, she is responsible for supervising a team of attorneys and responding to legal issues arising under procurement, negotiation, and administration of contracts required for the delivery of the Hudson Tunnel Project and operation of the Commission, managing governance of the Commission and its Board, overseeing compliance with the Commission’s enabling legislation, policies and Code of Conduct, and developing and implementing the Commissioner’s Equal Employment Opportunity Program. Prior to joining the Commission, Ms. Anderson was a Deputy General Counsel where she engaged in similar responsibilities and areas of law in a different industry for 15 years, and was also engaged in the private practice of law for 15 years where she was a trial and appellate attorney that focused on real estate development and commercial litigation. Ms. Anderson has been practicing law in the State of New Jersey since 1993 and was admitted to the bar of the State of New York in 1999.

William Fletcher

Will Fletcher was appointed as the Gateway Development Commission’s inspector general in August 2024. Mr. Fletcher is a dedicated public service professional with a distinguished career in oversight, investigations, and legal counsel. Prior to joining the Commission, Mr. Fletcher served as the Inspector General for the Chicago Board of Education since July 2020, leading a 60-member agency responsible for independent oversight of the nation's fourth-largest public school district. Mr. Fletcher has served in offices of inspectors general since 2010 and his work has resulted in significant findings, leading to revised procedures, financial recoupment, resource reallocation, disciplinary actions, and criminal prosecutions of theft and fraud. Mr. Fletcher has previously worked in the Special Litigation Bureau of the Illinois Office of the Attorney General where he investigated and prosecuted fraud cases and as a litigation attorney at prominent Chicago law firms. Earlier in his career, Mr. Fletcher served as General Counsel for the Chicago Police Department's Office of Professional Standards, an Assistant Corporation Counsel for the City of Chicago, and a law clerk for the Honorable Blanche M. Manning in the U.S. District Court for the Northern District of Illinois. A graduate of Columbia Law School and Northwestern University, Mr. Fletcher is deeply committed to the field of government oversight. He currently serves as

the President of the Board of Directors for the Association of Inspectors General, a 2,500-member organization of state and local oversight professionals, where he leads the board, organization staff and advocates for the mission of independent government oversight nationwide.

Anthony Gardner

Anthony Gardner joined the Gateway Development Commission in May 2023 as the Senior Director Procurement, with the responsibility of developing a procurement team, federally compliant procedures and protocols to solicit and award contracts to meet the mission of the Commission. Mr. Gardner is a procurement professional with over 35 years of experience, which commenced in the shipping industry and transitioned to Procurement at the Metropolitan Transportation Authority (MTA) Metro-North Railroad, where he spent the bulk of his career supporting the needs of the Railroad's Operations. While at Metro-North, he developed, solicited, negotiated, and awarded numerous contracts, implemented procurement strategies, policies, procedures, and guidance documents, and interpreted procurement regulations to address procurement activities and corrective actions ensuring compliance with FTA and state procurement statutes.

Robert Hickman

Robert Hickman is the Gateway Development Commission's Chief of Federal Affairs. Previously, Mr. Hickman served as Transportation Counsel to Senate Majority Leader Chuck Schumer, where he was the senator's chief advisor on transportation and infrastructure policy. In that role, he coordinated and led senate negotiations to advance numerous laws, including: FAA reauthorization, the bipartisan infrastructure law, and multiple COVID relief packages that rescued Amtrak and the mass transit and aviation sectors, among other legislation. Mr. Hickman played a critical role in structuring the grant and loan programs that the Hudson Tunnel Project will rely on to advance. In addition to his national legislative work, Mr. Hickman served as the senator's primary liaison to the Gateway partners in Washington, New York, and New Jersey. Prior to his Senate service, Mr. Hickman was Rep. Donald M. Payne Jr.'s first policy advisor and senior legislative counsel on the House Transportation & Infrastructure Committee. In this role, he advised Rep. Payne on transportation policy. Additionally, he helped coordinate numerous DBE events for Rep. Payne to keep the DBE community apprised of the numerous business opportunities at the region's major transportation and infrastructure agencies. Mr. Hickman has a Juris Doctor from Harvard Law School and a Bachelor of Arts from The College of New Jersey.

Milly Lee

Milly Lee is the Deputy Chief Financial Officer at the Gateway Development Commission. Ms. Lee previously served as the Commission's Senior Finance Manager helping to establish the Commission's finance department. Prior to her current role, Ms. Lee had almost 20 years of public finance experience. Ms. Lee was a municipal financial advisor with PFM Financial Advisors and served as advisor to multi-modal transportation agencies across the country for over a decade. In addition, she was a municipal investment banker with UBS, also in the transportation sector. Ms. Lee executed over 40 municipal bond deals totaling more than \$7.3 billion in par while at UBS. In addition to her public finance experience, Ms. Lee worked for a private philanthropic foundation, the Charles Revson Foundation, and for a non-profit community-based organization, Good Old Lower East Side, Inc.

Steve Lee

Steve Lee joined the Gateway Development Commission in December 2024 as the Head of Audit Oversight. In this role, he leads the Commission's internal audit function, which provides an independent, objective evaluation of the Commission's risk management practices, internal controls, and governance processes. He is responsible for ensuring the integrity of financial and other operations, promoting efficiency, compliance, and accountability across the organization. Mr. Lee has over 20 years of audit

experience for various organizations. He most recently served as the Head of Audit at the Environmental Defense Fund (EDF). Before EDF, his experience in internal audit and risk management also includes tenures at Protiviti, Dun & Bradstreet, Alcatel-Lucent, and Sony Corporation of America. Steve is a Certified Public Accountant and a Certified Fraud Examiner.

Nivardo Lopez

Nivardo Lopez was appointed as Principal Deputy Chief Program Officer for the Gateway Development Commission, a role he has held since July of 2024. At the Commission Mr. Lopez works closely with the Planning, Policy, Contracts, Impact Management, and Grants divisions within the Program Office. Prior to his role at GDC, Mr. Lopez was the Deputy Secretary for Transportation to Governor Kathy Hochul from November of 2021 until June of 2024. Before serving as Deputy Secretary, Mr. Lopez served as Bronx Borough Commissioner for the New York City Department of Transportation (NYC DOT). Mr. Lopez joined NYC DOT in 2014, starting as Director of Legislative Affairs and then becoming Deputy Bronx Borough Commissioner. Mr. Lopez began his career in government working at the New York City Council, first for Council Member James Vacca in the Bronx, and then as a Legislative Policy Analyst for the City Council's Committee on Transportation. He holds a B.A. in History from Saint Joseph's University and a M.A. in History from The City College of New York (CUNY).

Patrick McCoy

Patrick McCoy is the Chief Financial Officer of the Gateway Development Commission. He is responsible for the Commission's Capital and Operating budgets, Comptroller functions including accounts receivable and accounts payable, and payroll and benefits. Prior to joining the Commission, Mr. McCoy worked for the MTA in New York, most recently as Deputy Chief, Financial Services. He was responsible for MTA's access to the capital markets and directed the issuance of MTA and TBTA municipal bonds under the MTA's multi credit borrowing structure. He was responsible for the MTA's \$50 billion debt portfolio, which includes variable rate products, derivatives and fixed rate obligations. Mr. McCoy was also responsible for Capital Program Funding and MTA's Treasury operations and served as a Trustee on the MTA Defined Benefit Pension Plan. Mr. McCoy has a M.S. Degree in Urban Policy Analysis and Management from the New School University in New York, and a B.A. from St. Ambrose University in Davenport, Iowa.

Madeleine McDonnell

Madeleine McDonnell serves as Chief of Strategy & Operations at the Gateway Development Commission. In this role she helps lead the \$16 billion Hudson Tunnel Project, the nation's most urgent infrastructure project. Previously, Ms. McDonnell spent eight years at the New York City Department of Transportation where she held various leadership positions, including as Chief of Staff to four Commissioners. She acted as a chief liaison with City Hall, partner agencies, and other key regional entities. Her portfolio included implementing key initiatives including Vision Zero, bus and bike lane expansions, new mobility pilots, and employee professional development programs.

Hamed S. Nejad

Hamed S. Nejad, P.E., is GDC Chief Engineer, overseeing the technical delivery of the Hudson Tunnel Project, a vital part of the Gateway Program aimed at enhancing rail services and resiliency along the Northeast Corridor between Newark, New Jersey, and New York City. Initially joining as Deputy Chief Technical Officer managing Package 1 construction contracts, Mr. Nejad brings over 20 years of heavy civil construction experience across the U.S., Australia, and the Middle East, with expertise in tunneling, bridge construction, and deep foundations. His prior roles include Design Build Manager for the MTA's \$162 million Harold Structures Eastbound Reroute, Project Manager for the \$12 million I-84 bridge replacements, and Assistant Project Manager for the \$265 million Belt Parkway Bridge project, as well as key contributions to the MTA's \$1.2 billion East Side Access program (multiple contracts) and major

Australian tunneling projects like the \$3.1 billion North South Bypass Tunnel and the \$4.3 billion Airport Link Project. A certified Professional Engineer in New York, Mr. Nejad has collaborated with agencies like New York State Department of Transportation, New York City Department of Transportation, and the MTA, delivering complex infrastructure projects on time and within budget through his technical acumen and leadership.

Thomas F. Prendergast

Thomas Prendergast was appointed as Chief Executive Officer of Gateway Development Commission in 2025, and has decades of public and private sector experience directing major infrastructure projects and large, complex transportation systems in the United States and internationally. Having led the Metropolitan Transportation Authority (MTA), the largest transportation agency in North America, Tom is a top expert on billion-dollar capital programs, strategic planning, and public transportation policy. Tom previously served as Executive Vice President and New York Metro Chief Executive at AECOM. He oversaw design and consulting services across all business lines in New York and New Jersey, including transportation, water and wastewater, environment, power, and buildings and places, which encompassed more than 1,300 architects, engineers, scientists, and other support staff.

Catherine Rinaldi

Catherine Rinaldi joined the Gateway Development Commission in 2025 as Executive Vice President and is responsible for strengthening GDC's capacity to deliver the Hudson Tunnel Project (HTP). She oversees all essential administrative functions, while developing and tracking metrics to ensure GDC achieves its strategic objectives, among other responsibilities. Rinaldi has experience in the transportation industry. She began her career in transportation as MTA Deputy Executive Director and General Counsel. She subsequently served as Vice President and General Counsel at LIRR and Chief of Staff and Counsel to the MTA Chair. Before joining GDC she was leading the two busiest commuter rail systems in the United States, as the first female President of Metro-North, and concurrently as interim President for LIRR for 2 years. During her seven years as Metro-North President, on-time performance rose to an all-time high and achieved the highest customer satisfaction of any of the MTA agencies, and as interim LIRR President, Rinaldi successfully launched service into the new Grand Central Madison terminal, marking the largest increase in service.

Adam Rosenbloom

Adam Rosenbloom is the Chief Program Officer for the Gateway Development Commission. In this role, he is responsible for supervising a team focused on program planning, grant management and federal compliance, cost management and project controls as well as the Delivery Partner contract. Prior to joining the Commission, Mr. Rosenbloom has had over 20 years of related experience in the transportation sector, at both public and private entities, working closely with project and program management to help deliver design and construction projects.

Stephen Sigmund

Stephen Sigmund is a public affairs professional with a focus on transportation infrastructure, a writer, a political commentator and an adjunct professor. Mr. Sigmund has spent 30 years in communications and external relations, and has advised some of the nation's most vital transportation organizations. He is currently Chief of Public Outreach for the Gateway Development Commission. In this role, he is responsible for all public communications on the Hudson Tunnel project. Previously, Mr. Sigmund was Chief of Public and Government Affairs for the Port Authority of New York and New Jersey, where he was responsible for all external affairs around the rebuilding of the World Trade Center. In addition, Mr. Sigmund has published op-eds and commentary on a wide variety of subjects over the last twenty years and has been a commentator on national television for Fox News, CNN, NY1 and Fox Business. He also taught communications courses at Columbia University for fifteen years.

James Starace

James Starace is the Chief of Program Delivery for the Gateway Development Commission and is responsible for overseeing design and construction of the HTP. He will lead all aspects of remaining design and engineering, construction, interface management, and other technical work areas. He works closely with GDC's Supporting or Executing Partners (SEPs) – PANYNJ, Amtrak, and NJ TRANSIT – to identify and proactively mitigate risks that could impact the project's schedule or budget. Starace serves on GDC's executive leadership team and reports directly to the CEO. He previously worked for HNTB, where he worked with the New Jersey Turnpike Authority's program team on the \$11 billion Newark Bay-Hudson County Extension Improvements Program. He brings more than 40 years of experience to GDC delivering large-scale transportation projects in the New York/New Jersey region. During his extensive tenure at the Port Authority of New York and New Jersey (PANYNJ), Starace held a variety of senior-level positions, including leading the 550-person Engineering Department for more than seven years as Chief Engineer, and on many of the region's most significant infrastructure projects, including the new Goethals Bridge, the Newark Liberty International Airport Terminal A, LaGuardia Airport Redevelopment, the Bayonne Bridge "Raise the Roadway" project, the redevelopment of John F. Kennedy Airport, the PATH 9 car program, the Holland Tunnel Electrical and Mechanical rehabilitation, and construction of the AirTrain Terminal at Jamaica Station.

APPENDIX E

Name of Vendor	Services Description
Alliant Insurance Services, Inc.	Insurance Services
Alvarez & Marsal Public Sector Services, LLC	Expert Advisory Services
B2Gnow	Software as a Service
Baran Design Associates	A/V Services
Bridgetower OpCo, LLC	Media Services
Canon Financial Services, Inc.	Copier Lease
City and State New York LLC dba GovExec Holdings, LLC	Media Services
CliftonLarsonAllen LLP	Executive Recruiting Services
Conti Civil LLC	Construction Services
Deloitte & Touche LLP	Auditing Services
Duane Morris LLP	Legal Services
Ernst & Young Infrastructure Advisors LLC	Expert Advisory Services
First Unum Life Insurance Company	Employee Benefits
Frontier-Kemper Tutor Perini JV	Construction Services
Fusco Personnel, Inc.	Executive Recruiting Services
Gibbons P.C.	Legal Services
GTY Software Inc. dba Bonfire Interactive LTD.	Software Services
Holland & Knight LLP	Consulting Services
JP West, Inc	Insurance Services
Kiewit Finance Group Inc.	Construction Services
Krauthamer & Associates LLC	Executive Recruiting Services
LinkedIn Corporation	Recruiting Subscription
Marsh USA Inc. dba Marsh & McLennan Agency	Insurance Services
Mayer Brown LLP	Legal Services
McManimon, Scotland, Baumann, LLC	Legal Services
Miller Advertising Agency, Inc.	Advertising
Moody's Investor Services, Inc.	Rating Services
MPA Delivery Partners	Project Delivery Partner Services
Mulligan Security LLC	Security Services
Naik Consulting Group, PC	Construction Management Services
NFP Property & Casualty Services, Inc	Insurance Services
Orrick, Herrington & Sutcliffe LLP	Legal Services
Oxford United Healthcare	Employee Benefits
PFM Financial Advisors LLC	Financial Advisory Services
Proskauer Rose LLP	Legal Services
Sage Intacct Inc	Software Services
SC&H Group Inc.	Auditing Services
Schiavone Lane Dragados JV	Construction Services
Standard & Poor's Financial Services, LLC	Rating Services

Standard Security Life Insurance Company	Insurance Services
State Insurance Fund dba NYSIF Workers' Compensation Fund	Insurance Services
Stellar Services, Inc.	Information Technology Support Services
Tandym Group LLC	Executive Recruiting Services
Technology Insurance Company, Inc.	Insurance Services
The Bank of New York Mellon	Banking Services
The Gateway Trans Hudson Partnership Engineering, A Joint Venture	Engineering Services
The Hartford	Employee Benefits
The North Highland Holding Company LLC	Expert Advisory Services
The Strategic Offsites Group, Inc.	Governance Services
Thomson Reuters	Subscription Services
Venture Government Strategies, LLC	Consulting Services
WSP USA Inc.	Procurement Services