

AUTHORIZATION TO ENTER INTO EMERGING PROJECTS AGREEMENT FOR GATEWAY PROGRAM PHASE I

The Gateway Program consists of a set of rail infrastructure projects between Penn Station New York (“PSNY”) and Newark Penn Station in New Jersey that will address a single point of failure on the Northeast Corridor, the nation’s busiest rail line that connects eight states and the District of Columbia. The Program’s first phase (“Phase 1”) includes the completion of a concrete casing to preserve the right-of-way on the West Side of Manhattan, the construction of two new tubes under the Hudson River connecting to PSNY, the rehabilitation of the existing tubes, and the replacement of the Portal Bridge. Future phases of the Program are expected to include, among other projects, the expansion of track and platform capacity at PSNY, modifications to Secaucus Junction, the replacement of the Sawtooth Bridge in New Jersey and provision of appropriate additional rail yard capacity.

The United States Department of Transportation’s (“USDOT”) Build America Bureau’s credit programs, including the Railroad Infrastructure and Improvement Financing (“RRIF”) Program and the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) Program, have been identified as a potential source of significant financing for Phase 1. Based on preliminary estimates, it is anticipated the Gateway Program Development Corporation (“GPDC”) may apply for approximately \$6 billion in federal low-cost, long-term loans. The total amount of financing requested would be further refined as Phase 1 advances.

On October 3, 2016, prior to the formation of GPDC, the Port Authority of New York and New Jersey (“Port Authority”), in partnership with the National Railroad Passenger Corporation (“Amtrak”) and the New Jersey Transit Corporation (“NJ TRANSIT”), submitted the first-ever letter of interest to the USDOT’s Build America Bureau, requesting Phase 1’s entry into the USDOT’s new Emerging Projects Program, with the expectation that GPDC, once formed, would assume the role of project sponsor.

Entry into the Emerging Projects Program would be formalized through the execution of an agreement (“Agreement”) between GPDC and USDOT’s Build America Bureau. The Agreement would establish a framework for the provision of heightened technical assistance by the Build America Bureau in support of the development of the Gateway Program during the term of the Agreement. The Agreement would build on the strong cooperative relationships and support developed with the Port Authority, Amtrak, and NJ TRANSIT prior to the formation of GPDC.

Technical assistance is expected to include streamlined procedures for accessing the various operating administrations (e.g. the Federal Railroad Administration, the Federal Transit Administration) and other offices within USDOT. Additionally, the Agreement would provide a framework for assistance in determining the suitable quantity and quality of information to be included in any credit program direct loan letter(s) of interest or draft application(s).

The Agreement would not result in any cost to GPDC.

Pursuant to the foregoing report, the following resolution was adopted, with Trustees Bagger, Cohen and Coscia voting in favor. Trustee Right was recused.

RESOLVED, that the Chair of the Board or other Officer of the Gateway Program Development Corporation (“GPDC”) is hereby authorized, for and on behalf of GPDC, to take all actions as may be necessary to effectuate the entry of the GPDC into an Emerging Projects Agreement with the United States Department of Transportation’s Build America Bureau.