

September 16, 2004

Dear Governor McGreevey:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the rescheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Wednesday, September 15, 2004.

Sincerely,

A handwritten signature in black ink, appearing to read "Gwen A. Watson". The signature is fluid and cursive, with a large initial "G" and "W".

Gwen A. Watson
Board Secretary

Enclosures

Honorable James E. McGreevey
Governor, State of New Jersey
State House
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the rescheduled Board of Directors' meetings of the New Jersey Transit Corporation (NJ TRANSIT), NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, September 15, 2004.

Present:

Myron P. Shevell, Vice Chairman
Robert L. Smartt, Treasurer's Designee
Victoria Pratt, Governor's Representative
John McGoldrick

George D. Warrington, Executive Director
Lynn Bowersox, Assistant Executive Director, Corporate Commun. & External Affairs
Alma Scott-Buczak, Director, Strategic Staffing/Chief, EO/AA Diversity Office
William Duggan, Vice President & General Manager, Rail Operations
Kenneth Worton, Deputy Attorney General
Frank J. Hopper, Assistant Executive Director, Procurement & Support Services
James Redeker, Assistant Executive Director, Policy, Technology & Customer Services
Richard Sarles, Assistant Executive Director, Capital Planning and Programs
Robert Guarnieri, Auditor General
Gwen A. Watson, Board Secretary
H. Charles Wedel, Chief Financial Officer & Controller

Vice Chairman Shevell convened the Open Session at 1:15 pm in accordance with the Open Public Meetings Act.

Vice Chairman Shevell asked for a motion to adopt the minutes of the July 15, 2004 meeting. A motion was made by John McGoldrick, seconded by Bob Smartt and unanimously adopted.

Executive Director George Warrington highlighted the following from his monthly business report:

Executive Director Warrington thanked operations staff, Emergency Response Team members and police officers that, without exception, worked tirelessly to keep New Jersey moving – safely and with minimal delay during the Republican National Convention.

Executive Director Warrington also recognized Chief Joe Bober who, with his department, worked daily shifts of 13 hours or more, from several weeks before the convention, right through until the delegates had left. The Chief personally led the coordination efforts with multiple federal, state and local law enforcement agencies. Executive Director Warrington said the Police Department did a terrific job.

Executive Director Warrington further said Chief Bober and his officers inspected every New York-bound train, every day for all four days of the Convention. Patrols were stepped up in and around all major stations, terminals, facilities and infrastructure. Executive Director Warrington also recognized the great support received from Colonel Rick Fuentes and the New Jersey State Police.

Executive Director Warrington said, thankfully, the emergency preparedness contingencies that were in place were never utilized. He commended everyone on their efforts on behalf of the customers and employees.

Executive Director Warrington said this week marks the six-month anniversary of the River LINE and its popular \$1.10 ride between Camden and Trenton. Executive Director Warrington was pleased to report the positive results of the River LINE.

Executive Director Warrington said ridership continues to grow steadily with weekday ridership averaging roughly 5,700 passenger trips. Saturday ridership averages 4,600 trips, while Sunday ridership stands at 3,600 trips. He further said that ridership, especially in the first few months of service, will not be the measure of the ultimate value of this line.

He also said that NJ TRANSIT is currently on track to welcome the one-millionth River LINE rider in October.

Executive Director Warrington outlined what has been happening along this line. He said businesses are expanding, destination partners are reporting record attendance. (For example, The Battleship is reporting a 20-30 percent increase.) Area cafes like the Madison Pub and Zina's are expanding — The Madison Pub has reported a 25 percent increase in business and real estate prospecting and development is growing.

He further said the communities now linked by the River LINE are banding together for common economic growth – even going so far as to “rebrand” themselves as “the River Route.” Executive Director Warrington said that NJ TRANSIT is proud to be a partner and a catalyst in this local smart growth effort.

Executive Director Warrington said adjustments were made to the northbound morning service to serve Florence and Roebling 15-minutes earlier. NJ TRANSIT has enabled customers to make earlier connections in Trenton – including a Northeast Corridor train that arrives in New York before 8:00 a.m.

In addition, Executive Director Warrington said NJ TRANSIT also enhanced the Capital Connection bus service to offer more frequent service to downtown Trenton and the State House from Trenton Station. Connections are timed to depart four minutes after River LINE arrivals and vice versa. This convenient shuttle service provides seamless connectivity for commuters traveling to government and other downtown offices.

Executive Director Warrington briefly mentioned the progress on new parking that makes the NJ TRANSIT system more accessible. In August, NJ TRANSIT celebrated the opening of the new Ramsey Route 17 Station and its five-tier parking deck. The station adds more than 1,200 parking spots to the NJ TRANSIT system and it is easily accessible from one of Bergen County's busiest highways.

In addition, Executive Director Warrington said NJ TRANSIT will celebrate the grand opening of another new station and much-needed parking facility at Montclair State University (MSU) in Little Falls on September 23, 2004. Affording area residents 1,500 new parking spots, the MSU deck will offer relief to more than 3,000 people currently on Montclair's waiting list for parking.

Executive Director Warrington said that while all of these worthy projects have been moving forward, he is continuing to press the case for what has been described as the single most important new transportation project of this generation – the "Access to the Region's Core" (or ARC) project, which calls for a new rail tunnel connecting New York and New Jersey. He further said that it has been well documented and well reported that Penn Station and its rail yard are at capacity with more than 1,000 trains a day. During peak periods, trains are operating 2 ½ minutes apart between Newark and New York.

Each weekday, NJ TRANSIT provides 80,000 rail trips between New York and New Jersey during the peak periods alone – and that number is expected to double in the next 20 years. The total number of daily trips, which is currently 126,000 per day, is expected to grow to 225,000 during that same period.

Executive Director Warrington further said that as NJ TRANSIT moves forward with the environmental planning and preliminary engineering for this project, he is pleased to report that support for the tunnel has grown on both sides of the Hudson. He further said that he met with members of the Association for a Better New York, a group whose membership represents a cross-section of New York City's business, labor, tourism and real estate sectors.

Executive Director Warrington said it is important to point out that this is not just a "New Jersey project." New York, and the entire region, has a great deal at stake – both in terms of economic vitality and quality of life. He further said that meetings have been held with members of the New York congressional delegation, including Senator Schumer who has been a longtime advocate of a regional approach to transportation. In addition, meetings have been held with the deputy mayor of New York, Dan Doctoroff; with Manhattan Borough President Virginia Fields; with a number of New York City council members; with officials at the MTA; with neighborhood groups; even with realtors who manage property near Penn Station as well as the Port Authority

Executive Director Warrington thanked Phil Beecham of the Alliance for Action for giving him and Port Authority Chairman Coscia the opportunity to brief contractors, engineers and labor groups on the importance and status of this project. Executive Director

Warrington said the Port Authority understands the situation. All of the trans-Hudson vehicular bridges and tunnels are already at or over capacity.

Executive Director Warrington also thanked Senators Corzine and Lautenberg and the New Jersey delegation for their support of this project. As always, they have been steadfast champions of New Jersey rail improvements.

Executive Director Warrington said that, looking ahead, NJ TRANSIT rail, bus and light rail employees are planning now – as they have throughout the summer – for fall and winter to ensure that service is as weather proof as possible.

He said that NJ TRANSIT introduced Aquatrack last year to help combat the historic challenge of slippery rails created by wet leaves. The Aquatrack high pressure rail washing machine will again be deployed this year primarily on the Morris & Essex Lines, where the combination of falling leaves and the 1.5 percent grade at Summit Hill and 1.3 percent grade at Glen Ridge have historically conspired to delay trains.

Last season, Aquatrack helped to dramatically reduce slippery rail delays by nearly 80 percent over the previous year. In fact, the average delay caused by slippery rail in 2003 was 11 minutes compared to 20 minutes in 2002. To supplement the high-pressure washer, NJ TRANSIT will run sand trains ahead of peak-period trains to increase traction. In addition, he said the Corporation has implemented an extensive tree-trimming program along the right-of-way to eliminate leaves and prevent branches from interfering with the overhead wires during winter storms.

Executive Director Warrington said NJ TRANSIT makes great efforts to minimize delays. He said that one day recently, NJ TRANSIT had a perfect day with no delays. Executive Director Warrington congratulated Vice President and General Manager of Rail Operations Bill Duggan and his team on a remarkable achievement. On Tuesday, August 24, 2004, NJ TRANSIT trains had a perfect day. He further said that NJ TRANSIT had them on weekends, but NJ TRANSIT has not had a 100 percent on-time weekday in anyone's memory. He further said that achieving a perfect day is the railroad equivalent of pitching a "no-hitter", meaning that nearly 700 trains departed and arrived at their intended destination without a single incident. He said it is especially impressive considering that this is one of the most dense and heavily traveled railroads anywhere in the country.

Executive Director Warrington recognized two NJ TRANSIT police officers - - Officer John Egger and Officer Jose Martinez. He said that on August 30, 2004 while on duty at Trenton Station, Officers Egger and Martinez helped save a man who suffered multiple stab wounds. The victim was attacked in the city and drove to the station where the Officers found the man in critical need of first aid. Officers Egger and Martinez tended to the victim until Emergency Medical Services arrived, helping to save his life. Both officers were congratulated for their quick response.

Vice Chairman Shevell personally, and on behalf of the Board, thanked Executive Director Warrington and the Police Department for the remarkable job that was done during the Republican National Convention.

Suzanne Mack reported for the North Jersey Transit Advisory Committee. She agreed that NJ TRANSIT performed very well during the Republican National Convention. Ms. Mack also recognized the great work of the NJ TRANSIT Police Department. She also commended Executive Director Warrington for initiating the Emergency Preparedness Plan two years ago. She suggested that NJ TRANSIT send a letter to legislators to get the TEA-21 bill moving. Further, Ms. Mack said the Committee is pleased that Executive Director Warrington is moving forward with the Access to the Region's Core project. Ms. Mack also recognized Executive Director Warrington's initiatives for parking expansion with the opening of the Ramsey Route 17 Station and parking deck. In addition, she said the Committee is pleased with NJ TRANSIT's college program where students ride free for a week. Ms. Mack said NJ TRANSIT had a busy summer and did a great job.

There were no public comments on agenda items.

Executive Director Warrington presented the following Action Items for approval:

0409-57: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS

NJ TRANSIT is responsible for 605 undergrade bridges, 530 of which are on operating rail lines, as well as 108 overhead bridges. The ongoing Bridge Inspection Program prioritizes capital investments for maintenance and rehabilitation and ensures maximum return on investments. All bridges are inspected by in-house staff on an annual basis, but in depth inspections, load rating and evaluations by qualified engineering firms are critical elements of the infrastructure maintenance program. Approval is requested to enter into three separate contracts with Lichtenstein Consulting Engineers of Paramus, New Jersey (No. 04-110A); Michael Baker Jr. Inc. of Princeton, New Jersey (No. 04-110B); and HNTB Inc. of Wayne, New Jersey (No. 04-110C), to perform in-depth structural inspections, evaluations, and load ratings of 139 undergrade bridges, at costs not to exceed \$574,900, \$446,688 and \$561,735 respectively, for a total cost of \$1,583,323 plus five percent for contingencies, subject to the availability of funds.

John McGoldrick moved the resolution, Bob Smartt seconded it and it was unanimously adopted.

The Consent Calendar was moved by Bob Smartt, seconded by John McGoldrick and unanimously adopted as follows:

0409-58: SIP AVENUE, JOURNAL SQUARE, JERSEY CITY PROPERTY:
TERMINATION OF LEASE AGREEMENT AND SALE OF PROPERTY

Authorization to terminate the 99-year Lease Agreement originally dated August 18, 1988 with Renaissance Center Urban Renewal Associates, LP and sell property known as 88 Sip Avenue, Block 1866, Lots 25H and 25J, Jersey City, in Hudson County, NJ to Renaissance Center Urban Renewal Associates, LP, LLC for \$3.5 million which will be applied to NJ TRANSIT's capital program.

The following public comments were heard on non-agenda items:

Al Cafiero, on behalf of Senator Cardinale, asked when the environmental impact statement for the Northern Valley extension of the Hudson Bergen Light Rail project would be completed. Mr. Cafiero said that Tenafly and other municipalities along the line are opposing using Diesel Multiple Units (DMUs). Mr. Cafiero said electrification for light rail operations is a small part of capital costs. He further said that passengers would have to transfer in North Bergen to continue their trips to Weehawken and Hoboken since DMUs may not run interspersed with light rail vehicles. Mr. Cafiero said there has been some discussion of developing a dual mode DMU that can go through the tunnel under electric power and suggested that NJ TRANSIT consider the time required to develop and build a prototype.

In addition, Mr. Cafiero said that the Northern Valley extension would provide congestion relief and other benefits including improved commuting and quality of life.

Since there were no further comments or business, the Chairman called for adjournment and a motion to adjourn was made by John McGoldrick, seconded by Victoria Pratt and unanimously adopted.

The meeting was adjourned at 1:50 pm.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
NJ TRANSIT RAIL OPERATIONS INC.
NJ TRANSIT MERCER INC.
RESCHEDULED BOARD OF DIRECTORS MEETING

SEPTEMBER 15, 2004

MINUTES

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ACTION ITEMS

0409-57: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS	35661
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Authorization to enter into three separate contracts with Lichtenstein Consulting Engineers of Paramus, New Jersey (No. 04-110A); Michael Baker Jr. Inc. of Princeton, New Jersey (No. 04-110B); and HNTB Inc. of Wayne, New Jersey (No. 04-110C), to perform in-depth structural inspections, evaluations, and load ratings of 139 undergrade bridges, at costs not to exceed \$574,900, \$446,688 and \$561,735 respectively, for a total cost of \$1,583,323 plus five percent for contingencies, subject to the availability of funds.

CONSENT CALENDAR

0409-58: SIP AVENUE, JOURNAL SQUARE, JERSEY CITY PROPERTY: TERMINATION OF LEASE AGREEMENT AND SALE OF PROPERTY	35665
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Authorization to terminate the 99-year Lease Agreement originally dated August 18, 1988 with Renaissance Center Urban Renewal Associates, LP and sell property known as 88 Sip Avenue, Block 1866, Lots 25H and 25J, Jersey City, in Hudson County, NJ to Renaissance Center Urban Renewal Associates, LP, LLC for \$3.5 million which will be applied to NJ TRANSIT's capital program.

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APPROVAL OF MINUTES

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

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the July 15, 2004 Board meeting of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations Inc., NJ TRANSIT Rail Operations Inc. and NJ TRANSIT Mercer Inc. were forwarded to the Governor on July 16, 2004;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the July 15, 2004 New Jersey Transit Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations Inc. and NJ TRANSIT Mercer Inc. Board of Directors' meetings are hereby approved.

James E. McGreevey
Governor

Jack Lettiere
Board Chairman

George D. Warrington
Executive Director



TO: BOARD OF DIRECTORS
FROM: GEORGE D. WARRINGTON
DATE: SEPTEMBER 15, 2004
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – SEPTEMBER

Without question, the most significant event of the past two months was the Republican National Convention at Madison Square Garden. Keeping NJ TRANSIT operating into New York Penn Station with a national security event directly overhead was no small task. In fact, NJ TRANSIT's police force and rail operations department planned for the RNC for a number of months.

With great support from Colonel Rick Fuentes and the New Jersey State Police, Chief Joseph Bober and the NJ TRANSIT police force inspected every New York-bound train, every day of the Convention. We activated our Emergency Operations Center, which provided around-the-clock monitoring of system operations. And to take the pressure off of Penn Station, we rerouted one-third of our New York trains to Hoboken where many of our 300 extra customer service representatives were deployed to help customers make connections to PATH, buses, ferries or light rail.

All of this required an unprecedented amount of planning—both within NJ TRANSIT and between other agencies—as well as an aggressive and frequent communication effort with our customers. Through customer notices, posters, website messages and the media, customers were given important information in time to make their travel decisions.

Good planning paid off, as we were able to keep transit customers moving—safely and with minimal delay. Working 13-hour shifts, our police officers ensured that trains were safe and secure before they were sent into New York. Similarly, our employees rose to the challenge, working tirelessly throughout the week and often going above and beyond the scope of their regular duties to assist our customers. I am very proud of their efforts.

We also reached an important milestone this month with the six-month anniversary of the River LINE. Ridership has reached an average of approximately 5,700 trips per weekday and continues to grow. Businesses along the route are expanding. Tourist destinations are reporting record attendance, and real estate speculation along the line is becoming more robust. Recent service improvements include departures every 15 minutes during peak periods and earlier service from Florence and Roebing, enabling customers boarding at those stations to connect to earlier trains in Trenton.

Finally, in the past few months, I've met with elected officials and key organizations in both New York and New Jersey on what has been described as the single most important new transportation project of our generation—the "Access to the Region's Core" (or ARC) project, which calls for a new rail tunnel connecting New York and New Jersey. As we move forward with the environmental planning and preliminary engineering for this project, support for the tunnel is growing on both sides of the Hudson, and we expect that it will continue to grow as we demonstrate the project's benefits for New Jersey, New York and the entire region. These efforts will continue over the next several months, and I will keep you updated on our progress.

EXECUTIVE DIRECTOR'S MONTHLY REPORT

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HIGHLIGHTS

NJ TRANSIT Preparation Shines During RNC Week

With the world watching, NJ TRANSIT successfully executed its plan for the Republican National Convention, which was held August 30 – September 2 at Madison Square Garden in New York.

After months of planning, the Corporation delivered safe and reliable service to its customers, who told various media outlets that the experience exceeded their expectations. One media report characterized the commute as “clockwork”.

The tremendous amount of planning enabled the staff – particularly from the police, rail and bus departments, as well as the Emergency Response Team members – to ensure that operations ran smoothly, in spite of unprecedented security challenges and the potential for delays.

Consider NJ TRANSIT's preparation:

- All New York-bound trains were inspected before the initial trip and again before entering the Hudson Tunnels.
- NJ TRANSIT Police inspected the trains in a thorough and efficient fashion that maintained a reliable service.
- Over 100 additional NJ State Troopers, NJ State Corrections Officers and NJ State Parole Officers assisted NJ TRANSIT Police in their efforts.
- 55 K-9 units on loan from various law enforcement agencies assisted in the inspections of trains, key stations and bus terminals.
- Onboard trains, trash receptacles were sealed and most restrooms were locked.
- The use of overhead luggage racks was banned on New York-bound trains.
- Several cross-honoring agreements were established with PATH, NY Waterway and private bus companies to give customers more travel options into New York.
- NJ TRANSIT Bus and Light Rail cross-honored with Rail.
- Nearly 300 extra customer service representatives were dispatched to key locations throughout the system.
- More than 60 customer service representatives were assigned to Hoboken Terminal to assist customers who arrived on rerouted MidTOWN DIRECT trains that were intentionally rerouted to alleviate congestion at New York Penn Station.
- Customers found up-to-the-minute travel information online at www.njtransit.com, which was continually updated from 5 a.m. to midnight.
- The toll-free Transit Information Center – (800) 772-2222 – was staffed from 6 a.m. to midnight, in addition to automated transit advisories available 24 hours a day.
- Customers were able to call a toll-free tips line – 888-TIPS-NJT – to report suspicious activity or unattended packages.

NJ TRANSIT Provides Customers with Options

August 13, on the eve of the anniversary of last year's regional blackout, NJ TRANSIT staff distributed guides to customers that provide trans-Hudson travel alternatives in the event of a major service disruption or an emergency affecting regional transportation. The guides were developed by the Trans-Hudson Emergency Task Force, which was created in the wake of the blackout to improve interagency communication and coordination.

The first multi-modal reference of its kind, "Don't Get Stuck in the Dark" provides alternate transportation options, key agency telephone numbers, website addresses and a map identifying train, bus, light rail and ferry terminals. Task Force members distributed more than a quarter of a million guides at the Port Authority Bus Terminal, Hoboken Terminal, Newark Penn Station and New York Penn Station.

The Trans-Hudson Emergency Task Force has worked over the past year reviewing Manhattan-New Jersey bus, commuter rail, light rail and ferry services and alternatives that can be used in the event of an emergency. The group also worked through multiple service disruption and contingency scenarios.

River LINE Celebrates Six-month Anniversary

September 14th marked the six-month anniversary of the River LINE and its now famous \$1.10 ride between Camden and Trenton.

Ridership continues to grow steadily on the light rail system with weekday ridership now averaging roughly 5,700 passenger trips. Saturday ridership averages 4,600 trips, while Sunday ridership stands at 3,600 trips. On-time performance was 94 percent in the first six months of operation—no small feat for a brand new service.

Besides offering reliable service at an economical price, the River LINE is beginning to show its potential of becoming an economic driver for communities along the route. Reports indicate that local businesses are expanding, tourist destinations are reporting record attendance, and real estate prospecting and development along the line is growing.

In June, NJ TRANSIT further enhanced River LINE weekday service by adding 15-minute peak period departures and extending the evening rush hour period to 8 p.m. This enhancement gives customers more travel options as they make their daily commute to- and from work.

Earlier this month, NJ TRANSIT adjusted the River LINE's northbound morning service to serve Florence and Roebling 15-minutes earlier. This has enabled customers to make earlier

connections in Trenton—including a Northeast Corridor train that arrives in New York before 8 a.m.

NJ TRANSIT has also enhanced its Capital Connection bus service to offer more frequent service to downtown Trenton and the State House from Trenton Station. Connections are timed to depart 4 minutes after River LINE arrivals and vice versa.

Hudson-Bergen Light Rail Extended To Weehawken

On September 7, NJ TRANSIT opened a new segment of the Hudson-Bergen Light Rail (HBLR) line that extends service from Hoboken Terminal 2.6 miles north to Weehawken. Three stations—2nd Street and 9th Street stations in Hoboken and Lincoln Harbor Station in Weehawken—were opened as NJ TRANSIT began revenue service on the line.

The project is part of the \$1.2 billion segment of HBLR, called MOS-2, which is funded through state and federal sources. The northern extension from Hoboken will eventually reach 5.1 miles in late 2005 when stations open at Port Imperial (Weehawken), Bergenline Avenue (Union City) and Tonnelle Avenue (North Bergen). MOS-2 also includes the one-mile extension from 34th Street Station to 22nd Street Station in Bayonne, which opened in November 2003.

Trains between Hoboken Terminal and Lincoln Harbor operate at 15-minute headways from 6 a.m. until 1 a.m. daily. The one-way flat fare to any HBLR station is \$1.50. Monthly passes are available for \$53.

HBLR continues to spur economic development in Hudson County. In Jersey City, more than 15 million square feet of office space, 10,000 residential units and 500 hotel rooms are now available. In Weehawken, private sector investment is revitalizing the waterfront with hotels and shopping promenades.

HBLR provides 17,000 passenger trips on an average weekday between 20 stations in Bayonne, Jersey City, Hoboken and now Weehawken. The line has provided a vital link from waterfront destinations to NJ TRANSIT rail and bus services, PATH trains and trans-Hudson ferry services.

Ramsey Route 17 Station Opens

On August 20, NJ TRANSIT welcomed a new era in commuting convenience in northern Bergen County with the opening of the Ramsey Route 17 Station and parking deck in Ramsey.

With the station's opening, more than 1200 parking spots came online, helping to meet the State's commitment to add 20,000 spaces by 2007. To encourage customers to try the new station, NJ TRANSIT is offering free parking through September 30. Thereafter, parking rates will be \$4 weekdays and \$2 after 10 a.m. and on weekends. Monthly passes will be available for \$60.

To promote the station's new five-tier parking deck, which is easily accessible from Route 17, NJ TRANSIT has launched an aggressive marketing campaign under the umbrella theme of "See More Spots." This campaign centers on "See More" the Dalmatian who, with his white coat and black spots, is the perfect "spokesman" for the many parking spots now available to Main Line commuters.

In addition to more parking spots, the station also offers a host of amenities for commuters to enjoy that include:

- An elevated pedestrian walkway between the station and parking deck.
- Three elevators – one on the inbound platform and two inside the parking deck.
- Heated shelters to keep commuters warm during the winter.
- Restrooms and retail space. (A coffee and bagel shop is planned.)

NJ TRANSIT Introduces Student Monthly Pass Pilot Program

Last month, NJ TRANSIT announced a pilot program with seven universities to offer a discount to students who purchase their monthly pass online. Through the program, students will receive 25 percent off NJ TRANSIT's already discounted rate for monthly passes. The program expands the existing student rail pass program to include bus and light rail services.

The program was developed to increase student awareness of NJ TRANSIT's services, to guide them in discovering off-campus activities that they can reach using public transportation, and to alleviate parking shortages at many universities. Participating institutions include Seton Hall University, Montclair State University, Drew University, Rutgers-Camden, Rutgers-New Brunswick, Rutgers-Newark and William Paterson University.

NJ TRANSIT will work with participating universities to develop customized web pages with information on transit services near campus and links to the Itinerary Planner web page on

www.njtransit.com. Students from participating colleges will soon be able to purchase their discount passes online.

In addition, NJ TRANSIT also offered a free week travel – from September 8-15 – that gave students the opportunity to experience how easy it is to use NJ TRANSIT to reach thousands of destinations throughout the State. The hope is that once they become a part of the workforce, students will already know the benefits of using public transportation for their daily commute.

“Yield to Bus” Law Takes Effect

On August 1, a new state law went into effect that requires motorists to yield the right-of-way to buses re-entering traffic after picking up or discharging passengers.

The law, sponsored by Assemblywoman Linda Stender, Assemblyman John S. Wisniewski, and Assemblyman Jack Connors, requires drivers of non-emergency vehicles approaching a NJ TRANSIT or private carrier bus to allow the bus back into the flow of traffic once the passenger stop is completed. New Jersey is one of the first states to pass this type of legislation. Similar laws have been passed in Florida, Washington and Oregon.

Over the next several months, NJ TRANSIT will raise awareness of the law by creating customer notices, placing notices inside terminals, as well as outside and inside buses.

More than 400,000 NJ TRANSIT customers travel by bus on an average weekday. The law applies to buses that are re-entering a traffic lane after a stop. Once a motorist has yielded to a bus and both vehicles are traveling along the roadway, a motorist does not have to yield further if a bus signals to change lanes. Violations carry a fine between \$50 and \$200, and a jail term of up to 15 days.

CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT Adds Bus Trips To Match Customer Demand

On September 4, 2004, NJ TRANSIT made improvements on 47 bus lines to address overcrowding and specific customer requests.

Additional trips were added on the following 11 routes to address overcrowding:

- 25 Springfield Avenue
- 72 Paterson—Newark
- 94 Stuyvesant Avenue Crosstown
- 111 Jersey Gardens—New York (Weekday, Saturday & Sunday)
- 114 Bridgewater—New York (Weekday & Sunday)
- 139 Lakewood—New York
- 158 Fort Lee—Edgewater – New York (Saturday & Sunday)
- 163 Ridgewood—New York (Saturday)
- 190 Paterson—New York
- 509 Atlantic City—Somers Point—Ocean City
- 837 Long Branch—Asbury Park—Seaview Square Mall

The frequency of service was adjusted on the following four routes to address overcrowding:

- 164 Midland Park—New York
- 167 Harrington Park—New York
- 178 Hackensack—New York
- 182 Hackensack—New York

Schedule adjustments on the following 15 routes were made to improve reliability:

- 21 Main Street
- 194 Newfoundland—New York
- 145 Fair Lawn—New York
- 28 Newark—Montclair State
- 29 Bloomfield Avenue
- 107 Irvington—New York
- 197 Warwick—Wayne—New York
- 400 Sicklerville—Philadelphia
- 403 Turnersville—Lindenwold—Philadelphia
- 404 Cherry Hill Mall—Pennsauken—Philadelphia
- 405 Philadelphia—Merchantville—Cherry Hill Mall
- 406 Berlin—Marlton—Philadelphia
- 407 Philadelphia—Merchantville—Moorestown Mall
- 504 Bungalow Park—Ventnor Plaza
- 709 Bloomfield—Paramus

Trips were extended or rerouted at customer request on eight routes:

- 70 Newark-Livingston Mall and 73 Newark—Orange—Livingston: All Florham Park trips will serve Peach Tree Hill Road complex in Livingston.
- 83 Journal Square-Hackensack: Selected trips will operate from Hackensack instead of Palisades Park.
- 129 Secaucus-New York: Trips will be extended to begin at the new Riverside complex.
- 408 Millville-Philadelphia: Three trips will be extended to Millville.
- 451 Echelon Mall-Camden: Route will be extended to PATCO's Lindenwold station.
- 602 Trenton-Pennington: Midday trips will be extended to serve Educational Testing Services and the office park in Ewing.
- 818 New Brunswick-Old Bridge: Rerouted trips will operate via Stratford Apartments in Old Bridge.

Trip times were added or adjusted on the following seven routes:

- 2 Secaucus-Journal Square: Trip times will be adjusted to meet shifts at the USPS bulk mail facility.
- 419 Burlington-Riverside—Philadelphia: Adjusted trip times to improve connections with the 413 in Burlington.
- 553 Upper Deerfield-Atlantic City: Adjusted trip times will meet work shifts at South Jersey Health System in Vineland.
- 600 Trenton-Plainsboro: Early-morning trips adjusted to improve connections at Princeton Junction.
- 604 East Trenton-Trenton Rail Station: PM service will be adjusted from the justice complex to the rail station to improve connections with River LINE.
- 803 Metropark Loop: Late-AM service will be added to match service level on other loops
- 966 Convent Station Employer Shuttle: One trip will be added to meet the needs of Campus Drive employees.

On the 1 Newark line, new service is now operated over Springfield and Stuyvesant avenues between western Irvington and Ivy Hill.

Also, NJ TRANSIT has assumed full operation of the Hoboken-New York service, formerly operated by Academy and NJ TRANSIT.

To accommodate former Academy customers, more trips were added to NJ TRANSIT's existing 126 Hoboken-New York route.

EMPLOYEE RECOGNITION

NJ TRANSIT Employees Bid Farewell After Outstanding Careers

Four NJ TRANSIT employees retired in July and August after careers ranging from 21 years to 40 years of service with the Corporation and its predecessor companies.

The senior member of the retiree group is Carmine A. Cavezza with 40 years. Cavezza was a bus operator from the Ironbound Garage. Other retirees were:

- Meadowlands Bus Operator Edward S. Brown, Jr. of Iselin (27 years)
- Senior Clerk Barbara J. London of Hackettstown (26 years)
- Senior Accountant Federico S. Pajarillo of Union (21 years)

Rail Operations Achieves Perfect Weekday Performance

On Tuesday, August 24, NJ TRANSIT's Bill Duggan, Vice President/General Manager of Rail, along with the Rail Operations department achieved a "perfect day." That means nearly 700 trains departed and arrived at their intended destination without incident.

Rail Ops' perfect weekday is a more impressive feat than any other in NJ TRANSIT's history, because all train slots operating in and out of New York are now filled, leaving the no room for error. The perfect day helped elevate the Corporation's On-Time-Performance for the month to 94.5 percent.

For an encore, Rail Ops achieved a perfect weekend day on Sunday, September 5. On that date, 370 trains operated without a single delay.

DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Diversity SBE/DBE/WBE Participation

Federally Funded Contracts

In the federal funds category, \$125,389,552 has been awarded thru August 2004*; of that total \$15,067,619 or 12 percent awarded to DBE firms went towards meeting our Race Conscious Goal (21%). DBEs won \$1,985,381 or 1.6 percent of NJ TRANSIT's Race Neutral Contracts.

State Funded Contracts

\$5,263,001 was awarded in state-funded contract dollars during this same period.** Of that total Small Business Enterprises received \$164,241 or 3.1 percent. Category 1 SBEs received \$78,798 or 1.5 percent. Category 4 SBEs received \$85,443 or 1.6 percent.*** (Does not include small purchases dollars for July & August as no reports were issued for those months).

Federal & State Contracts Total

Of \$130,652,553 in federal and state contract dollars awarded by NJ TRANSIT (federal and state fiscal years combined), \$17,053,000 or 13.1 percent of federal contract dollars was won by Disadvantaged Business Enterprises (DBEs). Small Business Enterprises (SBEs) received \$164,241 or 3.1 percent of state contract dollars. \$17,217,241 was won by DBEs and SBEs.

Hudson-Bergen Light Rail Transit System Project

Of \$1,225,841,032 in contract dollars awarded for the Hudson-Bergen Light Rail Transit System project****, \$162,208,398 or 13.2 percent has been received by DBEs. Of the \$162,208,398, 6.9 percent or \$84,260,291 has been won by Women Business Enterprises (WBEs) who are classified as DBEs.

* Fiscal year beginning October 1, 2003

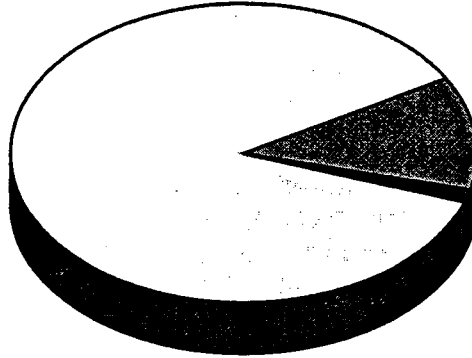
** Fiscal year beginning July 1, 2004

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

**** This YTD figure reflects federal dollars expended on an annual basis; including change orders, for the period from December, 1996 through June 2004

DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THRU AUGUST 2004)

NON-FEDERAL
108,336,552
86.4%

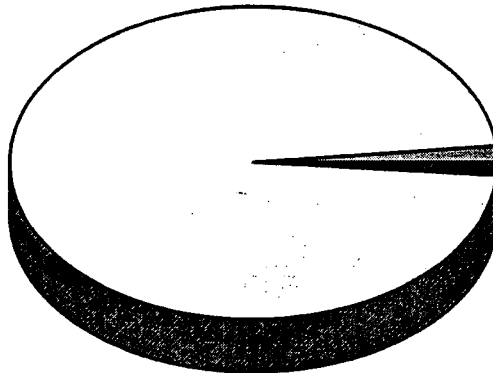


DBE RACE CONCIOUS
15,067,619
12%

DBE RACE
NEUTRAL
1,985,381
1.6%

SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THRU AUGUST 2004)

NON-SBE STATE
5,098,760
96.9%



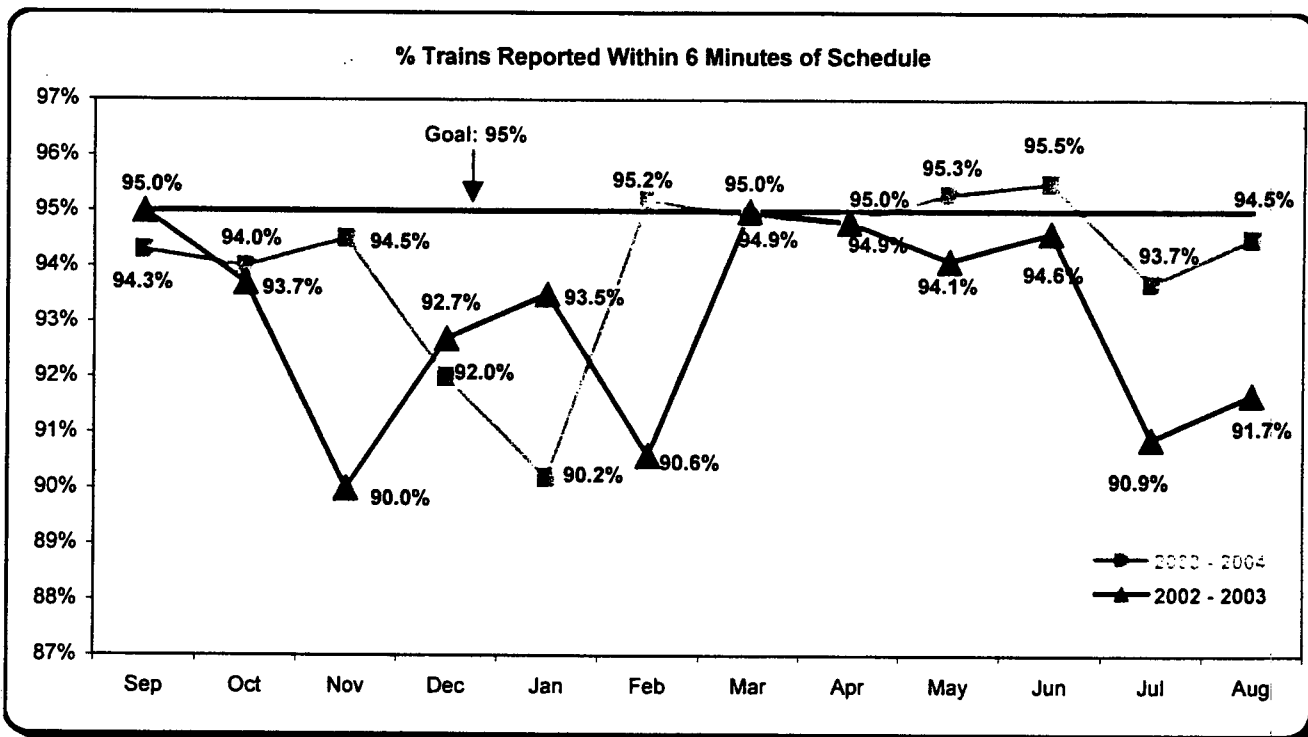
SBE-4
85,443
1.6%

SBE-1
78,798
1.5%

* Does not include small purchases dollars for July & August as no reports were issued for those months.

PERFORMANCE MEASURES

NJ TRANSIT ON TIME PERFORMANCE RAIL SEPTEMBER 2002 - AUGUST 2004



	2003	2004	# Change
August Comparison	91.7%	94.5%	2.8%

	2002 - 2003	2003 - 2004	# Change
12-Month Average September - August	93.1%	94.1%	1.0%

Analysis:

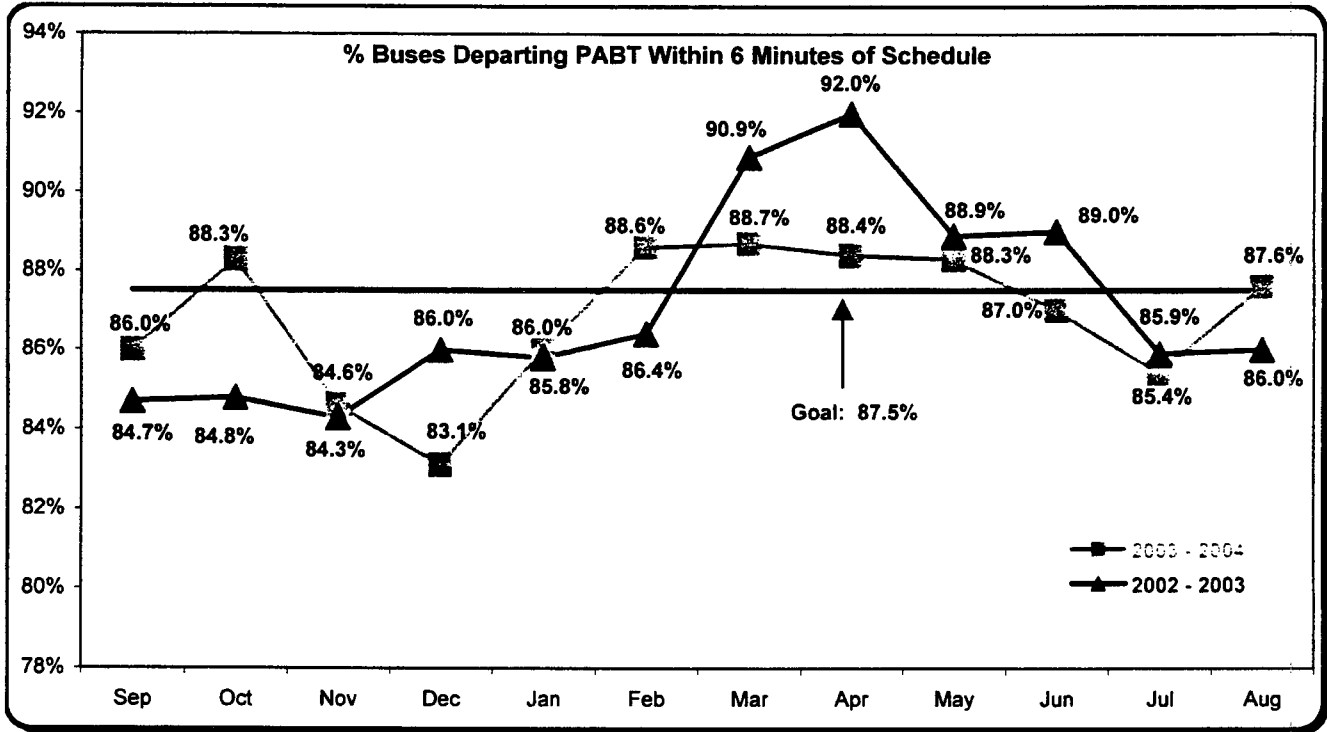
Rail On Time Performance (OTP) for August 2004 was 94.5%, well above the 91.7% rate of August 2003. Of the 18,356 trains that were scheduled to operate, 17,341 were on time, while 1,015 trains (or 5.5%) experienced delays.

During most of August 2004, Rail OTP was on track to exceed the 95% goal. However, a series of Amtrak catenary failures at the end of the month resulted in significant delays. The only major delays related to the Republican National Convention were attributable to the evacuation of Hoboken Terminal for a suspicious package during the PM peak on August 30th.

Of particular note, on August 24th, Rail OTP was 100% for the day. Although there have been several 100% on-time days on weekends, this was the first weekday in recent record to achieve 100%.

The 12-month average for Rail On Time Performance for September 2003 - August 2004 was 94.1%, one percentage point above the 93.1% average for the previous 12-month period.

ON TIME PERFORMANCE BUS - PABT DEPARTURES SEPTEMBER 2002 - AUGUST 2004



	2003	2004	# Change
August Comparison	86.0%	87.6%	1.6%

	2002 - 2003	2003 - 2004	# Change
12-Month Average September - August	87.1%	86.8%	-0.2%

Analysis:

Bus On Time Performance for August 2004 was 87.6%, 1.5 percentage points above the 86.0% rate of August 2003. Of the 20,856 PABT PM Peak departures, 2,581 (or 12.4%) experienced delays.

Significant sources of delay included:

A bus breakdown in the north tube of the Lincoln Tunnel on August 6th;

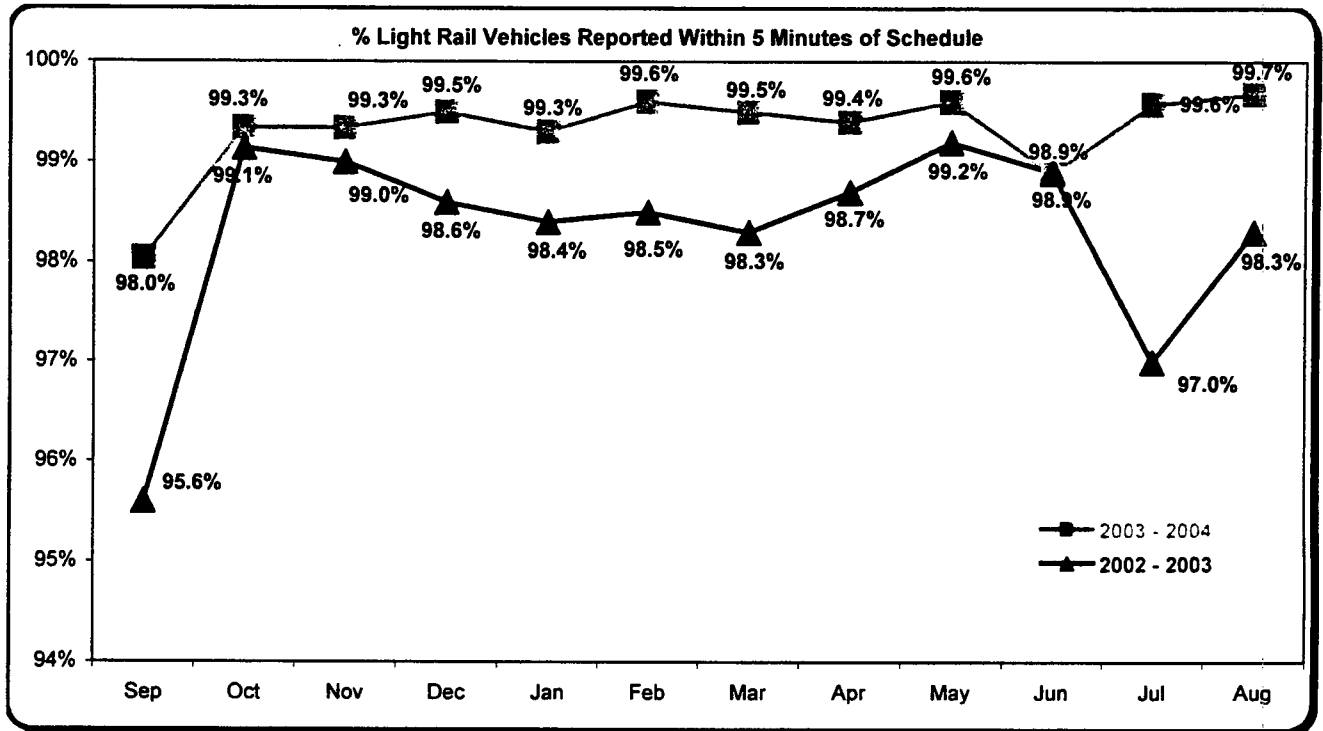
High traffic volume on Rt. 495 on August 11th;

Heavy rain and the shut down of the center tube of the Lincoln Tunnel on August 13th; and

A major accident at Exit 16 southbound on the NJ Turnpike on August 25th.

The 12-month average for Bus On Time Performance for September 2003 - August 2004 was 86.8%, just below the 87.1 % average for the previous 12-month period.

NJ TRANSIT ON TIME PERFORMANCE HUDSON BERGEN LIGHT RAIL SEPTEMBER 2002 - AUGUST 2004



	2003	2004	# Change
July Comparison	98.3%	99.7%	1.4%

	2002 - 2003	2003 - 2004	# Change
12-Month Average August - July	98.3%	99.3%	1.0%

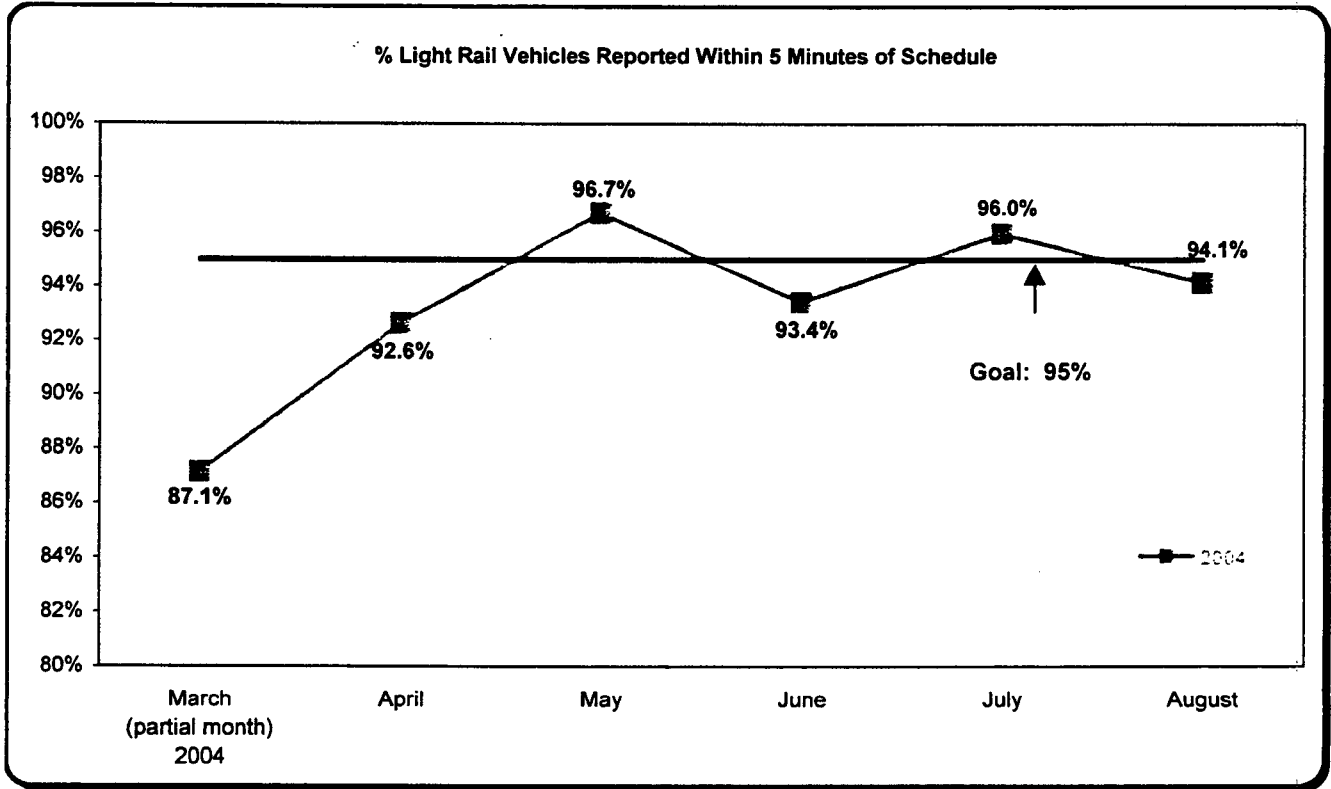
Analysis:

Hudson Bergen Light Rail (HBLR) On Time Performance for August 2004 was 99.7%, 1.4 percentage points above the 98.3% rate of August 2003. Of the 10,665 trips that were scheduled to operate, 34 (or 0.3%) were delayed.

Please note that due to computer data loss, HBLR OTP for August 2004 reflects performance from August 1st to August 29th. Delays omitted from this month's report were attributable to the evacuation of Hoboken Terminal during the evening peak period on August 30th. These delays would not have significantly impacted this month's OTP.

The 12-month average for HBLR On Time Performance for September 2003 - August 2004 was 99.3%, one percentage point above the average for the previous 12-month period.

NJ TRANSIT ON TIME PERFORMANCE RIVER LINE LIGHT RAIL MARCH 2004 - AUGUST 2004



	July 2004	August	# Change
OTP Monthly Comparison	96.0%	94.1%	-1.9%
OTP - Year To Date	93.9%		

Analysis:

River LINE On Time Performance for August 2004 was 94.1%, 1.9 percentage points below the 96% On Time Performance for August 2004.

Of the 3,000 trips that were scheduled for August 2004, 176 were either delayed or cancelled.

Significant sources of delay included:

Street flooding in Camden on August 1st;

High volume of concert travel in Camden on August 6th and 12th; and

Equipment failures on August 10th and 24th.

Year-to-date On Time Performance for River LINE was 93.9% and is approaching the goal of 95.0%.

ACTION ITEMS

ITEM 0409-57: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS, AND RATINGS

BENEFITS

Inspections, evaluations, and ratings of NJ TRANSIT's undergrade railroad bridges provide crucial information to the Capital Bridge Repair and Painting Programs. Maintaining bridge infrastructure in a state-of-good repair is a key component to maintaining service reliability and ensuring the safety of passengers and the public in general. NJ TRANSIT is responsible for maintaining 605 rail-carrying (undergrade) bridges.

PURPOSE

NJ TRANSIT is responsible for maintaining a safe and reliable bridge infrastructure throughout its system. Bridges are inspected on an annual basis by in-house staff. However, in-depth structural inspections and load-ratings performed by qualified engineering firms are critical elements of the infrastructure maintenance program. The results of the inspections provide NJ TRANSIT with the basis for developing a repair and replacement program. These firms will provide in-depth structural inspections, evaluations, and load-ratings for 139 undergrade railroad bridges as part of the annual bridge inspection program. The inspections will allow continued assessment and monitoring of deterioration, optimization of maintenance effort, and prioritization for capital improvements. They will also be the first step in our maintenance program and will allow NJ TRANSIT to achieve maximum return on its investments.

ACTION (Capital Program Justification: State of Good Repair)

Staff seeks authorization to enter into three separate contracts with Lichtenstein Consulting Engineers of Paramus, NJ (No. 04-110A); Michael Baker Jr. Inc. of Princeton, NJ (No. 04-110B); and HNTB Inc. of Wayne, NJ (No. 04-110C), to perform in-depth structural inspections, evaluations, and load ratings of 139 undergrade bridges, at costs not to exceed \$574,900, \$446,688 and \$561,735 respectively, for a total cost of \$1,583,323 plus five percent for contingencies.

FISCAL IMPACTS

Requested Authorization:	\$1,583,323 + 5% contingencies
	\$ 574,900 (Contract No. 04-110A)
	\$ 446,688 (Contract No. 04-110B)
	\$ 561,735 (Contract No. 04-110C)

Total Project Cost:	(Continuing project)
Projected Date of Completion:	October 2005
Anticipated Source of Funds:	TTF-05
DBE Goal:	30%
Future/Related Authorizations:	Annual Engineering Contracts for Bridge Inspections

RESOLUTION

WHEREAS, NJ TRANSIT is responsible for maintaining 605 rail-carrying (undergrade) bridges; and

WHEREAS, an in-depth inspection and evaluation of all undergrade bridges is required to ensure the safety and reliability of train operations; and

WHEREAS, bridge inspections are the basis for the bridge repair and replacement program;

WHEREAS, following the completion of a competitive procurement process Lichtenstein Consulting Engineers, Michael Baker, Jr., Inc. and HNTB, Inc. were determined to be the highest ranked proposers;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into three separate contracts with Lichtenstein Consulting Engineers of Paramus, NJ, Michael Baker Jr. of Princeton, NJ, and HNTB of Wayne, NJ to perform in-depth structural inspections, evaluations, and load ratings of 139 undergrade bridges, at costs not to exceed \$574,900, \$446,688 and \$561,735 respectively, for a total cost of \$1,583,323 plus five percent for contingencies, subject to the availability of funds.

CONSENT CALENDAR

(NJT BOARD – 9/15/04)

**ITEM 0409-58: SIP AVENUE, JOURNAL SQUARE, JERSEY CITY PROPERTY:
TERMINATION OF LEASE AGREEMENT AND SALE OF PROPERTY**

BENEFITS

The termination of the 99-year Lease Agreement, originally dated August 18, 1988, will allow NJ TRANSIT to sell the property known as 88 Sip Avenue to the Lessee, Renaissance Center Urban Renewal Associates, LP, (RCURA) for \$3.5 million. NJ TRANSIT will immediately realize the receipt of cash upfront of \$3.5 million from the sale of the property versus the payout of rent over 83 years through 2087, which is present-valued at \$3.2 million. NJ TRANSIT will receive significant proceeds from the sale that can be utilized to fund capital projects.

PURPOSE

The referenced property was acquired from Transport of New Jersey and is located on the north side of Sip Avenue adjacent to the Journal Square Transportation Center in Jersey City. The property is an approximate 34,000 square foot site improved with a parking lot and two small retail buildings. NJ TRANSIT's original Lease of the subject property to RCURA commenced August 18, 1988 for a term of 99 years. The Lease allowed the tenant to improve the site with any legally permitted use ("the Project") and if the Project was developed, NJ TRANSIT would receive 10 percent of net profits as additional rent. The Lease also provided the tenant with an option to purchase the property with NJ TRANSIT retaining its 10 percent equity interest in return for NJ TRANSIT investing the sale proceeds in the Project. The sale proceeds would be returned to NJ TRANSIT upon RCURA's refinancing or sale of the Project. Due to an economic downturn in the late 1980s, the re-development project in Journal Square did not proceed and RCURA and NJ TRANSIT agreed to modify the original transaction.

When NJ TRANSIT met with RCURA regarding Lessee's desire to exercise its option to purchase the Sip Avenue property, there was concern that the Lessee would be unable to satisfy the requirements of the purchase option. However, NJ TRANSIT's Real Estate staff, based on a licensed appraiser's report, determined that it would still be financially beneficial to NJ TRANSIT to terminate the Lease and sell the property to the Lessee. In order to obtain the necessary financing for development, the Lessee needed to own the property outright. NJ TRANSIT's 10 percent equity interest, tied to the exercise of the purchase option, was hampering the advancement of financing for the development project, as did the length of the remaining Lease term of 83 years. Those circumstances decreased the probability of NJ TRANSIT benefiting from the development project originally contemplated in the Lease Agreement so it was mutually agreed by the parties to terminate the Lease and sell the fee interest in the property to the Lessee. In order to ensure that NJ TRANSIT receives the full market value for its property, the contract of sale contains a clause allowing NJ TRANSIT to recapture a percentage of the resale profits if the property is resold within five years. Staff has determined that there is no present or foreseeable need for the parcel for operational purposes and the property has been deemed excess.

ACTION (Justification: Cost Efficiencies)

Staff seeks authorization to terminate the 99-year Lease Agreement originally dated August 18, 1988 with Renaissance Center Urban Renewal Associates, LP and sell property known as 88 Sip Avenue, Block 1866, Lots 25H and 25J, Jersey City, in Hudson County, NJ to Renaissance

(NJ BOARD – 9/15/04)

Center Urban Renewal Associates, LP, LLC for \$3.5 million which will be applied to NJ TRANSIT's capital program.

FISCAL IMPACTS

Requested Authorization:	To terminate the 99-year Lease Agreement originally dated August 18, 1988 with Renaissance Center Urban Renewal Associates, LP, LLC and sell property known as 88 Sip Avenue, Block 1866, Lots 25H and 25J, Jersey City, in Hudson County to Renaissance Center Urban Renewal Associates, LP, for \$3.5 million
Total Project Cost:	None
Projected Date of Completion:	October 31, 2004
Anticipated Source of Funds:	None
DBE Goal:	N/A
Future/Related Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

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

WHEREAS, NJ TRANSIT and Renaissance Center Urban Renewal Associates, LP, entered into a 99-year Lease Agreement originally dated August 18, 1988 for the Lease of property known as 88 Sip Avenue, Jersey City, NJ; and

WHEREAS, NJ TRANSIT and the Lessee, have mutually agreed to terminate the Lease Agreement and Lessee has requested to purchase the property; and

WHEREAS, NJ TRANSIT has determined that there is no present or foreseeable need for the parcel shown and has declared the parcel "excess" and available for sale; and

WHEREAS, NJ TRANSIT staff has negotiated a sale price for the property of \$3.5 million;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to take all actions necessary to terminate the 99-year Lease Agreement originally dated August 18, 1988 with Renaissance Center Urban Renewal Associates, LP and sell property known as 88 Sip Avenue, Block 1866, Lots 25H and 25J, Jersey City, in Hudson County, New Jersey to Renaissance Center Urban Renewal Associates, LP for \$3.5 million, which proceeds can be utilized to fund capital projects.