

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
SPECIAL MEETING
FRIDAY, OCTOBER 10, 2008**

Chairman Kolluri called the Authority into session in the Executive Boardroom of the Authority's Administration Offices, Woodbridge, New Jersey, at 2:35 P.M.

PRESENT

Chairman Kris Kolluri; Treasurer Michael DuPont; Commissioner Harold Hodes; Commissioner David Evans; Commissioner Raymond Pocino; and Commissioner Clive Cummis.

Executive Director Diane Gutierrez-Scaccetti; Deputy Executive Director John O'Hern; Chief of Staff Joseph Orlando; Chief Engineer Richard Raczynski; Finance Director Benjamin Hayllar; Human Resources Director Mary-Elizabeth Garrity; Internal Audit Director James Carone; Law Director George Caceres; Maintenance Director John Cifelli; Operations Director Sean Hill; Purchasing Director Andrea Ward; Strategic Policy and Planning Director Marilyn Lennon; Technology and Administrative Services Director Brian Gorman; Tolls Director Robert Quirk; and Secretary Rose Stanko.

Also present were: General Counsel John Hoffman; Co-General Counsel Judy Verrone; General Consultant James Beattie; Robert Shane, Governor's Authorities Unit; Jeff Tittel, Sierra Club; additional individuals consisting of other NJTA employees; interested organizations; general public; and from the media: Television Channel 11; Television Channel 4; NJN New Jersey Public Television; News 12; Star Ledger; Bloomberg Business News; The Record; Asbury Park Press; and Associated Press.

NOTICE OF MEETING

This is a special meeting of the New Jersey Turnpike Authority. Adequate notice of this meeting has been provided in accordance with Chapter 231, P.L. 1975 in that notice has been given to two newspapers and notice has been forwarded to the Secretary of State, Trenton, New Jersey. In addition, notice of said meeting has been and is being displayed in the main lobby of the Authority's Administration Headquarters in Woodbridge.

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RECUSALS

The Secretary reported that no advisements of recusal or abstention have been submitted.

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At this juncture, Chairman Kolluri opened the floor for public comment pertaining to the item being presented for Board approval.

Jeff Tittel, of the Sierra Club - New Jersey Chapter, voiced deep concern over the impending approval of the Turnpike Authority's toll proposal and said that the increase in tolls will hit the citizenry of New Jersey at a time of serious financial crisis. In addition, he opined, the proposed projects are not worthy priorities and would be detrimental not only to the State budget but to the State's environment in terms of sprawl and pollution. He continued with suggestions that infrastructure priorities should include, among other things: fix-it-first, reversible flex lanes; freight rail corridors; and mass transit.

Chairman Kolluri responded by informing that nothing in the revised proposal would be on the table if it had not been determined as absolutely necessary. He further advised that the Turnpike Authority operating budget has been cut and the capital projects have been reduced. There were no further comments from the floor.

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The Members of the Authority then moved on the following matter being considered:

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192-08

Executive Director Gutierrez-Scaccetti presented the recommendation contained in her memorandum dated October 10, 2008, concerning authorization to **Adopt Resolution Approving Toll Schedules for the New Jersey Turnpike and Garden State Parkway, and Authorizing the Executive Director to Execute an ARC Tunnel Agreement with New Jersey Transit, Transportation Trust Fund Authority, and the State of New Jersey.**

Presented for consideration is a resolution that authorizes the New Jersey Turnpike Authority to implement toll increases on the New Jersey Turnpike and Garden State Parkway. The proposed toll increase on the New Jersey Turnpike is 40 percent to be implemented on or about December 1, 2008, and 53 percent to be implemented on or about January 1, 2012. The proposed toll increase on the Garden State Parkway is 43 percent to be implemented on or about December 1, 2008, and 50 percent on January 1, 2012.

Further, in addition to existing off-peak discounts, the toll proposal includes a series of new off-peak hour E-ZPass discounts, as follows:

- a 5% discount for all trucks;
- a 10% discount for senior citizens; and
- a 10% discount for toll payers who drive high-mileage, reduced emission vehicles.

Moreover, as a result of today's public hearing, an additional 5% off-peak, E-ZPass discount is recommended to apply to commercial vehicles that spend no less than \$10,000 per month in tolls, and maintain an account with the New Jersey E-ZPass Customer Service Center.

In addition, authorization is sought to adopt a capital plan valued at \$7 billion. This plan will fund critical safety and congestion relief projects such as the widening on the New Jersey Turnpike from Interchange 6 to Interchange 9, the widening on the Garden State Parkway from Exit 63 to Exit 80, and critical bridge improvement projects.

Finally, authorization is sought to permit the Executive Director to negotiate and execute an agreement among The Authority, New Jersey Transit, the Transportation Trust Fund Authority, and the State of New Jersey for funding the construction of the Access to the Region's Core Tunnel Project ("ARC Tunnel Project") in the amount of \$1.25 billion. After careful study, staff, in consultation with its consulting Engineer and Traffic Engineer, has opined that the construction of ARC Tunnel Project will have a positive impact on relieving traffic congestion on The Eastern and

Western Spurs. A draft agreement was submitted which will be executed in substantially the same form as presented.

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved the recommendation; authorized a Resolution Approving Toll Schedules for the New Jersey Turnpike and Garden State Parkway; and further authorized the Executive Director to execute an ARC Tunnel Agreement with New Jersey Transit, Transportation Trust Fund Authority and the State of New Jersey, as presented; received and filed the memoranda; and unanimously adopted the following:

Resolution 192-08

RESOLUTION APPROVING TOLL SCHEDULES FOR THE NEW JERSEY
TURNPIKE AND GARDEN STATE PARKWAY, AND AUTHORIZING THE
EXECUTIVE DIRECTOR TO EXECUTE AN ARC TUNNEL AGREEMENT WITH
THE TRANSPORTATION TRUST FUND AUTHORITY, NEW JERSEY TRANSIT
CORPORATION AND THE TREASURER OF THE STATE, ACTING ON
BEHALF OF THE STATE

WHEREAS, the Authority is an independent State authority, and is authorized pursuant to N.J.S.A. 27:23-1 et seq. to design, construct, operate and maintain transportation and highway projects, including, but not limited to the New Jersey Turnpike and Garden State Parkway, all as more particularly defined in N.J.S.A. 27:23-4; and

WHEREAS, the Authority has provided the highest quality of transportation to its patrons for over 50 years; and

WHEREAS, the New Jersey Turnpike and the Garden State Parkway are critical modes in the movement of goods, connecting the ports of Newark and Elizabeth to major commercial distribution centers from Boston to Washington, D.C.; and

WHEREAS, the New Jersey Turnpike and Garden State Parkway are integral to the interstate transportation network, and provide a reliable, efficient and safe means of transportation to millions of the State's citizens on a daily basis; and

WHEREAS, since the initial construction of the New Jersey Turnpike and Garden State Parkway, traffic volume has increased, and is anticipated to increase in the future as a result of population and economic growth; and

WHEREAS, it is necessary to undertake certain capital projects to expand and augment the capacity of the New Jersey Turnpike and the Garden State Parkway in order to safely and efficiently accommodate this increased demand, barring which travel on the roadways will swiftly become intolerable; and

WHEREAS, in order to continue to provide the motoring public with a high level of service, the Authority must undertake a number of other significant projects to enhance safety and relieve congestion; and

WHEREAS, the Authority has previously developed a 10-year capital improvement plan (the "Initial Capital Plan") calling for a number of significant projects to improve the New Jersey Turnpike and Garden State Parkway, having an aggregate present value of \$9.735 billion; and

WHEREAS, chief amongst these projects are the planned widening of the New Jersey Turnpike from Interchanges 6-9, and the planned widening of the Garden State Parkway from milepost 63-80, each of which are more particularly described in separate Environmental Impact Statements, incorporated by reference herein; and

WHEREAS, in addition to the Initial Capital Plan, New Jersey Transit Corporation and the Port Authority of New York & New Jersey are presently undertaking a project known as "Access to the Region's Core – Expanding Trans-Hudson Capacity to Midtown Manhattan" (the "ARC Project"); and

WHEREAS, the ARC Project calls for the construction of a new track alignment through the Secaucus Transfer Station in order to provide additional rail service into Midtown Manhattan; and

WHEREAS, the ARC Project also calls for the construction of a rail tunnel under the Hudson River, which will allow for the interconnection between the Secaucus Transfer Station and Penn Station in Manhattan; and

WHEREAS, the ARC Project will also include the construction of new track alignments that will now permit commuters to ride directly between New Jersey suburbs and Manhattan, without the need to change trains or seek additional modes of transportation; and

WHEREAS, the purpose of the ARC Project is to increase commuter rail capacity between New York and New Jersey, which is presently at its functional capacity, and to allow for the seamless interconnection of New Jersey's commuter rail network thereby relieving motor vehicle congestion on the New Jersey Turnpike and the Garden State Parkway, and other roadways, bridges and tunnels; and

WHEREAS, the Authority has previously expended approximately \$250 million to construct Interchange 15X for the purpose of interconnecting the New Jersey Turnpike with the Secaucus Transfer Station; and

WHEREAS, the means and methods of transportation in our State, including the New Jersey Turnpike and the Garden State Parkway, are interconnected and form an inseparable part of a whole; and

WHEREAS, construction of the ARC Project will approximately double rail capacity between Manhattan and New Jersey; and

WHEREAS, New Jersey Transit Corporation and the Port Authority of New York & New Jersey have completed an Environmental Impact Statement, incorporated by reference herein, concluding that completion of the ARC Project will significantly reduce congestion and overall traffic volume at the existing trans-Hudson motor vehicle crossings, specifically, the George Washington Bridge, the Lincoln Tunnel and the Holland Tunnel; and

WHEREAS, it is not feasible or cost effective to construct additional trans-Hudson motor vehicle crossings; and

WHEREAS, the Authority has commissioned its General Consulting Engineer, HNTB Corporation, and its traffic consultant, Wilbur Smith Associates, to further study the impact the ARC Project will have upon congestion on the New Jersey Turnpike and Garden State Parkway, and, further, whether the ARC Project should be designated a project of the Authority under its enabling statute; and

WHEREAS, HNTB Corporation and Wilbur Smith Associates, whose written reports are incorporated by reference herein, have jointly concluded that the northern portion of the New Jersey Turnpike, which is proximate to the Secaucus Transfer Station, consistently operates at a "D" or "F" level of service, thereby causing congestion and inconvenience to motorists, as well as detrimental environmental effects associated with motor vehicle congestion; and

WHEREAS, as a result of environmental, geologic and population density constraints, it is not feasible or cost effective to widen the northern portions of the New Jersey Turnpike, or to otherwise construct new express highways in this portion of the State, indeed, a feasibility study determined that widening of the Western Spur of the New Jersey Turnpike alone would cost at least \$2.7 billion without regard to the severe legal and environmental impediments; and

WHEREAS, HNTB Corporation and Wilbur Smith Associates have further concluded that projected population growth figures show that congestion on the northern portion of the New Jersey Turnpike will continue to worsen, resulting in congestion that will prove intolerable to the citizens of this State and which will ultimately endanger the New Jersey Turnpike's status as an engine of commerce; and

WHEREAS, HNTB Corporation, in conjunction with Wilbur Smith Associates, has further studied the relationship between the ARC Project and the New Jersey Turnpike; and

WHEREAS, the Authority's consultants project that construction of the ARC Project will result in a significant diversion of traffic from the New Jersey Turnpike and into commuter rail facilities, thus demonstrating a definitive relationship between the ARC Project and Authority roadways; and

WHEREAS, diverting commuter motor vehicle traffic from the roadway and into commuter rail facilities during the peak rush hour periods is directly beneficial to the operation of Authority roadways; and

WHEREAS, diverting commuter traffic to commuter rail facilities will preserve capacity for other commercial motor vehicle traffic, which generates a greater proportionate share of existing toll revenue than passenger vehicles; and

WHEREAS, the ARC Project is eligible for federal matching funds in the amount of approximately \$3 billion, and the Port Authority of New York & New Jersey has agreed to contribute up to an additional \$3 billion in funding, however, a funding shortfall in the amount of \$1.25 billion continues to exist; and

WHEREAS, under federal guidelines, if an additional \$1.25 billion funding source is not timely identified, the ARC Project will be rendered ineligible to compete for the federal matching funds, thus causing serious detriment to the citizens of the State of New Jersey; and

WHEREAS, the Authority is established pursuant to N.J.S.A. 27:23-1 to “acquire, construct, maintain, improve, manage, repair and operate transportation projects or any part thereof at such locations as shall be established by the authority in its discretion;” and

WHEREAS, a transportation project, as defined in N.J.S.A. 27:23-4 includes a “highway project”; and

WHEREAS, a “highway project” as therein defined, includes the “acquisition, operation, improvement, management, repair, construction...and maintenance of the New Jersey Turnpike and of the Garden State Parkway...and of any other highway or feeder road...and shall include but not be limited to all bridges, parking facilities, public highways, feeder roads, tunnels, overpasses, underpasses, interchanges, traffic circles, grade separations, entrance and exit plazas, approaches, toll houses, service areas, stations and facilities, communications facilities, administration, storage and other buildings and facilities, and other structures directly or indirectly related to a transportation project, intersecting highways and bridges and feeder roads which the authority may deem necessary, desirable, or convenient in its discretion for the operation, maintenance or management, either directly or indirectly, of a transportation project...;” and

WHEREAS, the Authority declares that the ARC Project is an eligible “highway project” because it consists of a tunnel, stations and facilities that are directly or indirectly related to a transportation project, including, but not limited to the operation, maintenance or management of the New Jersey Turnpike and the Garden State Parkway; and

WHEREAS, the Authority concludes that the ARC Project will facilitate the management and operation of the New Jersey Turnpike and Garden State Parkway by causing an overall decrease or mitigation in congestion, thereby preserving roadway capacity for future growth and existing commercial vehicle traffic; and

WHEREAS, the Authority further declares that maintaining the efficient and safe operation of the New Jersey Turnpike will redound to the advantage of the environment both through the overall shift of passenger vehicle commuter traffic to more environmentally friendly commuter rail facilities, and through the streamlining of remaining traffic on the roadways; and

WHEREAS, the Authority has determined that of the available options, one of which is a widening of the Western Spur of the New Jersey Turnpike for the sum of at least \$2.7 billion, participating in the ARC Project for the sum of \$1.25 billion represents a significant cost savings to the general public; and

WHEREAS, N.J.S.A. 27:23-5(l) allows the Authority to “enter into contracts with federal, State and local governments and private entities for the financing, administration, operation, management and construction of transportation projects;” and

WHEREAS, pursuant to the foregoing statute, the Authority desires to enter into an agreement with the Transportation Trust Fund Authority, New Jersey Transit Corporation and the Treasurer of the State, acting on behalf of the State (the “ARC Tunnel Agreement”), pursuant to which the Authority will agree to undertake certain obligations associated with the ARC Project as are more particularly described therein, including, but not limited to, the acquisition of a real property interest in the ARC Project property, the negotiation or use of the Authority’s statutory eminent domain power to acquire certain real property that is necessary for the completion of the ARC Project, and the use of best efforts to prosecute and obtain certain Federal and State permits that are necessary for the ARC Project, and reconfirm its obligations under the existing March 20, 2000 agreement with the State; and

WHEREAS, pursuant to said agreement, New Jersey Transit Corporation will assume certain other functions in the financing, administration, operation, management and construction of the ARC Project, all as more particularly defined therein; and

WHEREAS, together with the assumption of certain prescribed functions in the administration, operation, management and construction of the ARC Project as aforesaid, the Authority further desires to remit over time the aggregate sum of \$1.25 billion to New Jersey Transit Corporation commencing in 2012, for the sole purposes of the ARC Project; and

WHEREAS, the Authority desires to authorize the Executive Director to negotiate and execute an agreement with New Jersey Transit Corporation memorializing the foregoing; and

WHEREAS, as a result of credit market fluctuations and softening revenues, pressure has been exerted on the Authority’s operating budget and capital program; and

WHEREAS, as a result of this shortfall, the Authority was previously forced to issue a \$175 million note to restructure existing debt to minimize the negative impact of market fluctuations; and

WHEREAS, the Authority presently lacks sufficient capital to fund any of the projects contained within the Initial Capital Plan or the Authority's share of the ARC Project, and toll revenues under the existing toll schedule will not provide sufficient revenues to fund the Initial Capital Plan or the ARC Project at any point in the future; and

WHEREAS, in order to minimize the burden to the citizens of this State, the Authority has previously issued bonds to the general public in order to finance the construction of capital projects; and

WHEREAS, the Authority has previously adopted a resolution, the "General Bond Resolution," incorporated by reference herein, whereby it was agreed that certain prescribed levels of net revenues would be maintained in order to meet defined debt coverage ratios; and

WHEREAS, under Section 713 of the General Bond Resolution, the Authority must issue an annual certification no later than December 1 attesting to its ability to meet the debt service coverage ratios enumerated in the General Bond Resolution; and

WHEREAS, as a result of the foregoing financial pressures, unless an adjustment to the toll schedule is implemented, this year the Authority will be unable to issue the required certification under Section 713 of the General Bond Resolution, thereby triggering certain rights and remedies of the bondholders that are ultimately to the detriment of the Authority and the general public; and

WHEREAS, the Authority is invested with a fiduciary obligation to the citizens of the State of New Jersey, and is required to affirmatively act in furtherance of public safety and congestion relief goals; and

WHEREAS, N.J.S.A. 27:23-5.10 provides that the Authority may increase any existing toll, or establish any new toll for the use of any highway project (as defined in N.J.S.A. 27:23-4), upon the holding of a public hearing on such proposed toll at least 45 days prior to the date on which such toll is proposed to become effective; and

WHEREAS, the Authority has not raised tolls on the New Jersey Turnpike since January 1, 2003, and tolls have been raised only once in the history of the Garden State Parkway, in 1989; and

WHEREAS, as a result of all of the foregoing, by resolution adopted September 9, 2008, the Authority authorized the Executive Director to hold three (3) public hearings in the Northern, Central and Southern portions of the State to consider a proposal to adjust the toll schedules on the New Jersey Turnpike and the Garden State Parkway (collectively, with annexed proposed toll schedules, which are incorporated by reference herein, the "Initial Toll Proposal"); and

WHEREAS, with respect to the New Jersey Turnpike, the Initial Toll Proposal as presented was to increase tolls by 50% in 2008, 50% in 2012, and 10% by 2023; and

WHEREAS, with respect to the Garden State Parkway, the Initial Toll Proposal as presented was to increase tolls by 43% in 2008, 50% in 2012, and 10% by 2023; and

WHEREAS, the Authority duly noticed public hearings with respect to the Initial Toll Proposal pursuant to N.J.S.A. 27:23-5.11, which took place on September 23 and 24, 2008, and initially held the public record open for receipt of written comments until October 1, 2008, all in accordance with law; and

WHEREAS, the Authority received numerous comments, both oral and written, that were in favor of, and opposed to, the Initial Toll Proposal; and

WHEREAS, a number of individuals and entities were in favor of the toll adjustments on grounds that the capital improvements to be funded thereby were beneficial to the region's economy, to the environment, and would provide needed congestion relief on Authority roadways; and

WHEREAS, an economic disruption of untold proportion began unfolding in the midst of the initial public comment period; and

WHEREAS, many of the public comments requested the Authority to delay or reduce the toll adjustments as a result of current economic conditions; and

WHEREAS, the Authority recognizes the need to balance the implementation of necessary congestion relief measures, and to maintain the safety of the roadways, on the one hand, and the equally important need to minimize the fiscal impact to the general public in this time of economic crisis; and

WHEREAS, the Authority, acting under the direction of the Chairman and the Executive Director and in consultation with the Governor, determined, prior to the initial October 1, 2008

closing date for receipt of written comments, to hold a supplemental public hearing on October 10, 2008, and to extend the period within which the public may submit written comments until such date that all written comments the Authority has received have been included in the record; and

WHEREAS, after receiving communication from the Governor and comments from the general public, the purpose of the supplemental public hearing was to consider recalibrating the Initial Toll Proposal; and

WHEREAS, the Authority, acting under the direction of the Chairman and the Executive Director, has established a revised toll proposal (collectively, with annexed proposed toll schedules, which are incorporated by reference herein, the "Revised Toll Proposal"); and

WHEREAS, with respect to the New Jersey Turnpike, the Revised Toll Proposal is to increase tolls by 40%, effective on or about December 1, 2008, and by an additional 53%, effective January 1, 2012; and

WHEREAS, with respect to the Garden State Parkway, the Revised Toll Proposal is to increase tolls by 43%, effective December 1, 2008, and by an additional 50%, effective January 1, 2012; and

WHEREAS, the Revised Toll Proposal eliminates the proposed toll increases, which were to take place effective by 2023, in their entirety; and

WHEREAS, in order to minimize the impact upon certain segments of the public, the Revised Toll Proposal calls for the continuation of the Authority's existing 25% E-ZPass Off—Peak discount on the New Jersey Turnpike, and various bus discounts on the New Jersey Turnpike and Garden State Parkway as previously approved by the Boards of Commissioners of the Authority, and the establishment of certain additional discounts as follows: (1) provision of a corrective discount to certain local users of Interchange 6 on the New Jersey Turnpike; (2) provision of an additional 10% off-peak E-ZPass discount program for senior citizens aged 65 and older; (3) provision of an additional 5% off-peak E-ZPass discount for commercial vehicles; and (4) provision of an additional 10% "Green-Pass" off-peak E-ZPass discount for low emissions vehicles that obtain at least 45 miles per gallon and meet the California Super Ultra Low Emission Vehicle (SULEV) standard, provided, however, that the Green-Pass program shall expire 5 years from the program implementation date and shall in any event be subject to an aggregate program limit of \$250,000 per year (collectively, the "Revised Toll Proposal Discount Programs"); and

WHEREAS, for purposes of administration and efficiency, the Authority desires to consolidate and simplify the existing vehicle classes with regard to the Garden State Parkway, and to structure the consolidation with certain additional discounts such that no existing vehicle class will be required to pay a toll increase that is greater than 43% effective on or about December 1, 2008, and 50% effective January 1, 2012, all as more particularly defined in the toll schedules that represent the Revised Toll Proposal (the "Parkway Consolidated Vehicle Classifications"); and

WHEREAS, in order to further minimize the need to increase tolls, the Authority has also determined to implement certain cuts to its \$239 million discretionary operating budget, and will reduce the same by 5.8%, or \$13.8 million; and

WHEREAS, in order to further minimize the need to increase tolls, the Authority also desires to modify the Initial Capital Plan, in the amount of \$9.735 billion, to eliminate those projects that are not absolutely necessary in light of the current economic climate; and

WHEREAS, the Authority further desires to implement a new capital plan, in the amount of \$7.0 billion (the "Revised Capital Plan"), which is incorporated by reference herein, in order to implement those projects which are critical for the continued operation of the roadways in a safe and efficient manner; and

WHEREAS, a supplemental public hearing was held on October 10, 2008, at the Authority's headquarters in Woodbridge, New Jersey; and

WHEREAS, the Authority has carefully reviewed and considered the volume of public comments that have been received, in person and in writing through the close of the public comment period at 12:00 p.m. on October 10, 2008; and

WHEREAS, as a result of the public hearing held on October 10, 2008, an additional 5% off-peak E-ZPass discount to commercial vehicles (classes 2 through 6) that incur \$10,000 or more per month in tolls will be offered ("the Additional Discount Program"); and

WHEREAS, the Executive Director and the Hearing Officers, together with the Authority's professionals and consultants, have prepared a report and recommendation (the "Report and Recommendation"), which is incorporated by reference herein, which fully analyzes the need and desire to take action on the Revised Toll Proposal; and

WHEREAS, pursuant to N.J.S.A. 27:23-3(F), the Authority has received the written approval of each of the Governor and the Treasurer of the State of New Jersey with respect to the Revised Toll Schedule; and

WHEREAS, the Authority desires to take action to implement the Revised Toll Schedule;

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Turnpike Authority as follows:

1. The Report and Recommendation dated October 9, 2008 and all appendices and exhibits thereto, as supplemented on October 10, 2008, are hereby incorporated by reference and made a part hereof, and is hereby approved and adopted.

2. The Revised Toll Proposal, inclusive of the Revised Toll Proposal Discount Program, the Additional Discount Program and the Parkway Consolidated Vehicle Classifications, is hereby adopted as final, and shall become effective on or about December 1, 2008, and January 1, 2012, respectively. The foregoing is subject to the Authority's Traffic Engineer filing any and all certificates with the bond trustee that are required by Section 713(e)(i) and (ii) of the General Bond Resolution, which filing shall occur in no event later than the respective implementation dates.

3. The Revised Capital Plan is hereby approved by the Authority.

4. The Executive Director is authorized and directed to identify and implement a 5.8% reduction in the Authority's discretionary operating budget, in the amount of \$13.8 million.

5. The Authority accepts and ratifies the conclusions of HNTB Corporation and Wilbur Smith Associates as set forth in the written reports, incorporated by reference herein.

6. The Authority finds and declares that the ARC Project is a "highway project" of the Authority in accordance with N.J.S.A. 27:23-1 et seq., because it consists of a tunnel, stations and facilities that are directly or indirectly related to a transportation project, including, but not limited to the operation, maintenance or management of the New Jersey Turnpike and Garden State Parkway.

7. The Authority finds and declares that the ARC Project will facilitate the management and operation of the New Jersey Turnpike and Garden State Parkway by causing an overall decrease or mitigation in congestion, thereby preserving roadway capacity for future growth and existing commercial vehicle traffic.

8. The Authority further finds and declares that maintaining the efficient and safe operation of the New Jersey Turnpike will redound to the advantage of the environment both through the overall shift of passenger vehicle commuter traffic to more environmentally friendly commuter rail facilities, and through the streamlining of remaining traffic on the roadways.

9. The Executive Director is authorized and directed to negotiate and execute the ARC Tunnel Agreement by and among the New Jersey Turnpike Authority, the Transportation Trust Fund Authority, New Jersey Transit Corporation and the Treasurer of the State, acting on behalf of the State, substantially in the form annexed hereto, with such revisions and modifications thereto as may be approved by the Executive Director, such approval to be conclusively evidenced by the execution thereof. The foregoing is subject to the Executive Director having received, prior to the execution and delivery thereof, an opinion from bond counsel to the effect that the execution thereof, in and of itself, will not have adversely affected the security for outstanding bonds of the Transportation Trust Fund Authority, which opinion may rely, in whole or in part, on a similar opinion rendered to or on behalf of the Transportation Trust Fund Authority.

10. In the event that New Jersey Transit Corporation later identifies an alternative source of funding for the ARC Project, or the Authority is otherwise precluded or determines it to be impracticable to continue its participation in the ARC Project, the Executive Director is authorized to continue in force the toll schedule memorialized in the Revised Toll Schedule without modification or interruption, and to apply such excess toll revenues generated thereby, to the extent practicable, to the additional capital projects that are referenced as "Tier II" projects in the Revised Capital Plan.

11. The Executive Director is authorized and directed to take all actions that are necessary and desirable to implement the foregoing.

12. If any section, paragraph, subsection, clause or provision of this resolution shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section paragraph, subsection, clause or provision so adjudicated, and the remainder of the resolution shall be deemed valid and effective.

13. This resolution shall take effect in accordance with the provisions of N.J.S.A. 27:23-3(F).

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The motion to adjourn was made by Commissioner Pocino, seconded by Commissioner DuPont and, after the voice vote, the motion was duly adopted. The Authority adjourned at 2:48 P.M.

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The Secretary acknowledges receipt of the following documents for file:

COMMUNICATIONS:

Two Letters: dated October 10, 2008, one from New Jersey Governor Jon Corzine and one from NJ State Treasurer R. David Rousseau – in accordance with the provisions of the New Jersey Turnpike Authority Act (N.J.S.A. 27:23-1 et seq.), as amended, including specifically N.J.S.A. 27:23-3(F), and all other applicable law; approving the adoption by the NJTA of its Resolution (192-08): Approving Toll Schedules For The New Jersey Turnpike And Garden State Parkway, And Authorizing The Executive Director To Executive An ARC Tunnel Agreement With The Transportation Trust Fund Authority, New Jersey Transit Corporation And The Treasurer Of The State Acting On Behalf Of The State (“the Toll Adjustment Resolution”) – as being immediately in full force and effect.

Rose Stanko
Secretary

APPROVED:

Kris Kolluri, Chairman and NJ Department of Transportation Commissioner

Michael R. DuPont, Treasurer

Harold L. Hodes, Commissioner

David G. Evans, Commissioner

Raymond M. Pocino, Commissioner

Clive S. Cummis, Commissioner