

NORTH JERSEY TRANSPORTATION PLANNING AUTHORITY, INC.

FREIGHT INITIATIVES COMMITTEE

FREEHOLDER PETER PALMER, CHAIRMAN
FREEHOLDER DANIEL SULLIVAN, VICE CHAIRMAN

Minutes

August 19, 2008

I. Roll Call of Members

Chairman Palmer called the meeting to order at 10:30 a.m. There were four voting members present.

II. Presentations:

1. New Jersey Rail Freight Assistance Program

Dominic Critelli, Acting Manager of the Bureau of Rail Services of the New Jersey Department of Transportation (NJDOT), briefed the committee on the Fiscal Year 2009 State Rail Plan. The plan lists projects requested by the state's freight railroads to be funded by NJDOT's Rail Freight Assistance Program. The program (currently funded at a level of \$10 million a year) assists rail freight carriers with improvement projects. Mr. Critelli said the primary objective of the program is to support economic activity in the state by providing a strong, multi-modal transportation system that makes rail service available and effective for as many businesses as possible. He said that, to become eligible for the program, projects must pass a benefit/cost analysis and are prioritized according to energy/environmental criteria and congestion mitigation criteria. Types of projects include: rehabilitation of existing track and bridges and installation of storage track, runaround track, public team track, and scales.

With the aid of a slide presentation, Mr. Critelli highlighted the program's successes with before-and-after pictures of funded improvements at various sites. During a question and answer session, the following points were made:

- The program provides state grants to railroad applicants, who must provide a 10 percent match of the state funding for their proposed projects.
- There is no limit to the applications a railroad can submit, and previously submitted applications can be reconsidered.
- From 2006 to 2008, \$55 million was applied for and \$24.5 million was granted.
- Projects are not funded without municipal resolutions that support them.

2. Warehouse Development, Opportunities and Issues

Michael Seeve, President of Mountain Development Corporation and representative of the New Jersey chapter of the National Association of Industrial & Office Properties (NAIOP), presented an overview of the challenges and opportunities facing his industry. He discussed challenges to development including: capital market shrinkage, inflation of the cost of building materials, and attainment of compliance/approval in the regulatory environment. Mr. Seeve also described opportunities for growth within the industry including: municipalities' need for ratables, an increase in available land due to decreased land speculation in the market, the need for proximity to ports and cities generated by rising fuel prices, and collaboration between landowners and developers. The following points were made during a question and answer period:

- New Jersey's industrial and office properties development sector are concerned about the market uncertainty engendered by the current trend of end-users moving their operations to Pennsylvania in pursuit of reduced expenses.
- The industry considers the development of brownfields a viable option despite environmental mitigation challenges.
- NAIOP considers development near rail line facilities a priority and actively markets the organization and its development ideas to municipalities along rail lines.
- The availability of affordable housing for the industry's workforce is an important factor in meeting end-user needs. A natural "mix" of industrial/residential developments is desired but becoming harder to find.
- Vertical warehousing does not appear to be an industry trend. For the most part it is requested by select end-users who design for their own operating requirements.
- There is a steady level of new activity in industrial property development, although less on the office side.
- NAIOP pursues a goal of membership education that promotes smart development and reaching out to decision makers to inform them of the economic importance of providing new buildings for industries. Also, the organization seeks ways to bridge the gap between development and environmental oversight.

III. Other

- Dave Dawson, Central Staff, reported that, at the July 14th joint meeting of the Project Prioritization and Planning and Economic Development committees, the issue of quiet zones was transferred to the Freight Initiatives Committee. Also at that meeting, Central Staff was asked to produce a municipality-friendly guide to the Federal Railroad Administration "quiet zone" designation process. A quiet zone is a section of a rail line where the federal requirement that locomotives routinely blow their whistles when approaching grade crossings is waived, except when safety dictates their use. Mr. Dawson said that the guide will assist municipalities in navigating the complexities of the federal application process.
- Mr. Dawson introduced Jakub Rowinski, formerly employed by NJIT, who recently joined the NJTPA Freight Division as a Principal Planner.

IV. Next Meeting

It was announced that the next Freight Initiatives Committee meeting will be held on Tuesday, October 7, and the format will be a freight roundtable discussion—as part of the RTP update. This schedule is subject to change.

V. Adjournment

At 12:00 p.m. the meeting was adjourned by unanimous verbal acclaim.

FREIGHT INITIATIVES COMMITTEE
Attendance

August 19, 2008

VOTING MEMBERS	
Freeholder Peter Palmer (Chairman)	Somerset County
Fernando Rubio	Newark
John Lane	Hudson County
Kamal Saleh	Union County
OTHERS	
Miki Krakauer	NJDOT
WGM Goetz	CSX
Bob Baker	NJSLRA
Paul Gessner	USDOT MARAD
Gerrd N. VonDohler	Port Newark
Michael Seeve	NAIOP
Patrick Anater	Gannett Fleming
Scott Parker	Jacobs Engineering
Zoe Baldwin	Tri-State Transportation Campaign
Bill Clark	TranSystems
Brian Wahler	NJ Turnpike Authority
Rich Brundage	NJ Turnpike Authority
William Fidurski	Stop the Freight Train
Antonio Perez	LPG
Liza Betz	Union County
Ray Tomczak	HWTB
Brian Appezzato	Hunterdon County
Alan Lambiase	RTC/SKIA
Gary Johnson	Citizen
Dominick Critelli	NJDOT Bureau of Rail Services
Erik DeLine	Morris County Department of Transportation
Kamal Saleh	Union County
Laura McNichol	GOZI
Robert Marcolina	NJDEP
Rick Crawford	Norfolk Southern
James Greller	HCIA
Scott Douglas	NJDOT
George M. Ververides	Middlesex County
Tom Wakeman.	Stevens Institute of Technology
Pete Zantal	Port Authority of New York & New Jersey
Bill Martini	Maritain Development Corp.
Jim Hess	DMJM Harris
Nelson Caparas	Jacobs Engineering Group, Inc.
Joseph Fishinger	Somerset County
Robert Beard	Port Authority of New York & New Jersey

Andreas Ludari	NJDOT
E. Desterano	HMM
David Stein	Nation'sPort
Henry Nicholson	Monmouth County Dept. of Transportation
Harry T. Smith	Port Authority of New York & New Jersey
Stewart Weiss	Inman Railroad Committee
John Lane	Hudson County
Steve Friedman	Private
Mike Donchez	Lehigh Valley Planning Commission
Ronald S. Weening	AS-W Inc.
Mike Morrow	Port Elizabeth Terminal and Warehouse
Karen Rouse	The Record
Karen Shannon	Central Staff
Cliff Sobel	Central Staff
Lois Goldman	Central Staff
Mark Solof	Central Staff
Hamilton Meghdir	Central Staff
Dave Dawson	Central Staff
Jakub Rowinski	Central Staff
David Behrend	Central Staff
John Shote	Central Staff
Beverly Morris	Central Staff