

FOR CONSIDERATION

June 24, 2010

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: New York Harbor – Agreement with the Port Authority of New York and New Jersey (“PANY&NJ”) for Funding from the Bi-State Dredging Fund

REQUEST FOR: Authorization to Approve Funding by PANY&NJ for the Participation of PANY&NJ in the Brooklyn-Rotterdam Waterfront Exchange (the “Exchange”); Authorization to Take Related Actions

Background

In 1996, the PANY&NJ allocated \$130 million to fund the Governors’ Joint Dredging Plan (the “Plan”), with \$65 million allocated for dredging and harbor related projects to each of the States of New York and New Jersey. The Plan was developed with two major objectives, namely the promotion of an increased level of certainty and predictability in the dredging project review process and dredged material management and the facilitation of effective long-term environmentally sound management strategies for addressing dredging and disposal needs for the region.

The Empire State Development Corporation (“ESDC”) was designated as the New York entity to implement the Plan, and entered into an agreement with the PANY&NJ (including all amendments thereto, the “Agreement”). Under the Agreement, the PANY&NJ agreed to provide up to \$65 million for program eligible items to be agreed upon by ESDC and the PANY&NJ related to the dredging and disposal of dredged material and related projects including sediment testing, development of contaminant identification technology, material management initiatives and pollution prevention and navigation studies. To date, approximately \$52.4 million of these funds have been committed for eligible items pursuant to the Agreement.

The Current Project

The use of the Bi-State Dredging funds has been requested by PANY&NJ for its participation in the Brooklyn-Rotterdam Waterfront Exchange – Professional & Policy-Maker Conference held in Brooklyn, New York and Rotterdam, Zuid-Holland, Netherlands on April 14 – 17, 2010 and June 1-3, 2010 respectively. The Exchange provided a unique cross-Atlantic opportunity for practitioners and policymakers from likeminded governmental bodies to

exchange waterfront expertise to define and produce a unifying framework and implementation strategy for economic development in New York and Stadshavens Harbor in Rotterdam.

Specifically, participation in the Exchange assisted in the facilitation of planning, design and policy proposals for long term strategies for redevelopment in New York Harbor, including southwest Brooklyn. The Exchange also created a forum to work through dredge disposal initiatives, and for participants to share experiences, innovative solutions, new strategies, development models, and best practices about reshaping port-related areas. The discourse in the Exchange was focused on potential economic development, transportation infrastructure, environmental sustainability, and climate change with a concentration on southwest Brooklyn and Rotterdam's Stadshavens. Discussions also were centered on long-term sustainable solutions to the disposal of dredge materials.

PANY&NJ's intends to use the funding for payment to a consultant, Nautilus International Development Consulting, Inc. (the "Consultant"), who organized the event and will incorporate findings of the Exchange into a Comprehensive Waterfront Planning Study of southwest Brooklyn, transportation for participants, production of conference materials, workshop space, and food and lodging.

Environmental Review

ESDC staff has determined that the authorization of funding for the PANY&NJ's participation in and organization of the Exchange does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

Request

It is requested that the Directors authorize the funding for the Exchange, in the amount of \$100,000, pursuant to the Agreement, which is to be made directly by the PANY&NJ, and authorize the taking of related actions.

Recommendation

Staff hereby recommends that the Directors authorize and approve the requested actions.

June 24, 2010

NEW YORK HARBOR – Agreement with the Port Authority of New York and New Jersey (“PANY&NJ”) for Funding from the Bi-State Dredging Agreement –Authorization to Approve Funding by PANY&NJ for the Participation of PANY&NJ in the Brooklyn-Rotterdam Waterfront Exchange – Professional & Policy-Maker Conference; Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the Agreement Between the Empire State Development Corporation and the Port Authority of New York and New Jersey (“PANY&NJ”) for Funding with Regard to the Joint Dredging Plan (including amendments, the “Agreement”), the Corporation be, and it hereby is, authorized to enter into amendments to the Agreement and take other actions to fund, pursuant to the Agreement and in an amount not to exceed \$100,000, for the participation in and organization of The Port Authority of NY & NJ in the Brooklyn-Rotterdam Waterfront Exchange – Professional & Policy-Maker Conference

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and take all such actions as may be necessary or proper to effectuate the foregoing.

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