

ECONOMIC DEVELOPMENT
HIGHER EDUCATION
and
ENERGY COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Economic Development, Higher Education & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, August 13, 2008.

MEMBERS PRESENT:

Legislator Wayne Horsley - Chairman
Legislator Lou D'Amaro
Legislator John Kennedy

MEMBERS NOT PRESENT:

Legislator Steve Stern - Vice-Chair
Legislator Cameron Alden

ALSO IN ATTENDANCE:

D.P.O. Vivian Vilorio-Fisher, District No. 5
George Nolan - Counsel to the Legislature
Joe Schroeder - Budget Review Office
Joe Muncey - Budget Review Office
Barbara LoMoriello - Deputy Clerk of the Legislature
Ben Zwirn - Deputy County Executive
Carolyn Fahey - Economic Development
Charles Stein - Suffolk Community College
George Gatta - Suffolk Community College
Debra Alloncius - AME
Terry Pearsall - Aide to P.O. Lindsay
Paul Perrille - Aide to Majority Leader
Vincent Polimeni - Polimeni International, LLC
Michael Polimeni - Polimeni International, LLC
Colin Lawrence - Hatch Mott MacDonald
Patrick Halpin - Former Suffolk County Executive
Lee Dicola - The Nanz Company
Susana Enriquez - Newsday Reporter
All other interested parties

MINUTES TAKEN BY:

Donna Catalano - Court Stenographer

MINUTES TRANSCRIBED BY:

Kim Castiglione - Legislative Secretary

(THE MEETING WAS CALLED TO ORDER AT 2:15 P.M.)

CHAIRMAN HORSLEY:

All right. May we all please stand for the Pledge led by Legislator Vilorio-Fisher.

SALUTATION

CHAIRMAN HORSLEY:

May we all just stand for a moment of silence for all those men and women who protect our freedoms across the sea, with particular note that I understand that the President is sending peacekeepers over to Georgia in that conflict so that our men and women will also be entering into that region.

MOMENT OF SILENCE

CHAIRMAN HORSLEY:

Thank you very much. Please be seated. Good afternoon, everybody, and welcome to the Economic Development, Higher Education and Energy Committee meeting of August 13th. We have an exciting presenter today, but I thought we would quickly go over the agenda. Do I have any cards, first of all?

MS. LoMORIELLO:

No.

CHAIRMAN HORSLEY:

No cards at all. Very good. May we move to, because I understand we have a representative of Nanz Custom Hardware is going to be giving us a presentation that is a Suffolk County Empire Zone boundary issue. But we will first move to Introductory Resolutions.

Introductory Resolutions

Introductory Resolution 1693, Accepting and appropriating an amendment to the college budget for a grant award from the State University of New York for an Educational Opportunity Program 87% reimbursed by State funds at Suffolk County Community College. (Co. Exec.)

Do I have a motion to approve?

LEG. D'AMARO:

Motion.

CHAIRMAN HORSLEY:

Motion by Legislator D'Amaro. I'll second the motion. All those in favor? Opposed? So moved. **(Vote: 3-0-0-2 Not Present: Legislators Stern and Alden).**

1699, Authorizing a lease agreement with the Hertz Corporation for use of property at Francis S. Gabreski Airport. (Co. Exec.). Do I have a motion?

LEG. KENNEDY:

Motion.

CHAIRMAN HORSLEY:

Motion by Legislator Kennedy. Seconded by Legislator D'Amaro.

LEG. D'AMARO:

Just on the motion, Mr. Chairman.

CHAIRMAN HORSLEY:

On the motion.

LEG. D'AMARO:

Just very quickly, if there is an explanation. Was this -- is this a renewal or was this new business out at the airport?

CHAIRMAN HORSLEY:

Do we have Carolyn, our expert on Gabreski? Please advise us.

LEG. D'AMARO:

Hi, Carolyn.

CHAIRMAN HORSLEY:

Thank you and welcome.

MS. FAHEY:

Good afternoon. It's a new lease.

LEG. D'AMARO:

It's a new lease?

MS. FAHEY:

It's a new lease. Correct.

LEG. D'AMARO:

So it is offering car rental services on a retail basis?

MS. FAHEY:

Correct; out of the terminal office. It's going to have counter space and about ten parking spaces.

LEG. D'AMARO:

And were any other companies invited to do business there as well or?

MS. FAHEY:

Enterprise is also at the airport now. We have accommodated whoever has wanted to come.

LEG. D'AMARO:

So there is no exclusive provision to getting a lease at the airport.

MS. FAHEY:

Correct.

LEG. D'AMARO:

We can bring in as many as we need to.

MS. FAHEY:

Mm-hmm.

LEG. D'AMARO:

Okay. Thank you. I appreciate that.

CHAIRMAN HORSLEY:

Interesting, huh?

LEG. D'AMARO:

Yeah.

CHAIRMAN HORSLEY:

That's a step, Carolyn. Congratulations. All those in favor? Opposed? So moved. **(Vote: 3-0-0-2 Not Present: Legislators Stern and Alden).**

1708, Adopting Local Law No. 2008, A Local Law amending the Suffolk County Empire Zone Boundaries to include Nanz Custom Hardware, Inc., (SCTM No. 0100-067.00-01.00-024.091). (Co. Exec.)

I understand a representative is here today. I know that we have to have a public hearing on this as well, but if the gentleman would please come on up and tell us about Nanz Hardware.

MS. FAHEY:

Mr. Chair, if I might.

CHAIRMAN HORSLEY:

Please.

MS. FAHEY:

Briefly, Nanz is relocating from Brooklyn into Deer Park, bringing with it 127 jobs and creating 56 new jobs. Mr. Dicola is the Secretary Treasurer of Nanz. He came in from Chicago.

This, again, is amending the boundaries of the Empire Zone to include businesses outside the zone proper in order to allow the County to attract businesses and retain businesses here in the County. This is the third -- second or third business this year that you have seen that has moved from western Island into Suffolk County. So it is a nice feather in our cap to be able to attract manufacturers to Suffolk County. As they are leaving in droves, we are able to attract a few.

This is Lee Dicola, who, again, is the Secretary Treasurer of Nanz.

CHAIRMAN HORSLEY:

Mr. Dicola.

MR. DICOLA:

Good afternoon. Actually, I flew in from Canton, Ohio.

CHAIRMAN HORSLEY:

I thought you told me Ohio. I was just going wait a minute.

MR. DICOLA:

Yes, not quite as far as Chicago. Nanz Custom Hardware was incorporated in New York nearly 20 years ago. We manufacture custom hardware, door hardware primarily, and we've got about 127 people that were in our plant in Brooklyn that will be moving to Deer Park. They won't all be moving, and we will be looking to hire many of the local people to fill in those that we were unable to entice to move into Suffolk County.

Nanz has grown over the years. We now have sales of about \$15 million this year. We've expanded. A couple of years ago we opened our first showroom in Manhattan. Since then we've opened other showrooms in Chicago, Los Angeles, Greenwich, and next month we have our grand

opening in London. And we're also introducing this month a new line of plumbing hardware.

We were in an Empire Zone and part of our decision to move out here was hopefully to continue that particular incentive because we find it to be very attractive. I'd be pleased to answer any questions anyone has.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Dicola. I appreciate you coming to the grand Town of Babylon or your interest in coming to the Town of Babylon. Let me ask you, where are you? Both myself and Legislator D'Amato are very familiar with Babylon. We're both Babylon Legislators. Where is the building?

MR. DICOLA:

In Deer Park in the -- there's an industrial park just south of Grand Avenue. We're on Jefryn Boulevard.

CHAIRMAN HORSLEY:

Near District Court?

MR. DICOLA:

Yes.

CHAIRMAN HORSLEY:

Which building? We're very specific in Babylon. We could be at your door next week, so.

MR. DICOLA:

Okay. 105 East Jefryn is the address.

CHAIRMAN HORSLEY:

East Jefryn. Very good. Legislator.

LEG. D'AMARO:

Thank you, Mr. Chairman. Welcome, sir. Thank you for coming here today. I appreciate it very much. Can you give me a little sense of how you gravitated towards coming out here to Suffolk County? Here you are doing business in Brooklyn, you have a history of doing business in Brooklyn. I'm assuming your employees are mostly from the surrounding area. What made you come this direction, how did the thinking go?

MR. DICOLA:

We got to the point where our plant was too small for our operation. We have about 18,000 square feet, couldn't really add more than 4,000 square feet due to the zoning requirements, so we had to relocate. We first looked in the New York area, first in Brooklyn, later in other parts of New York. We then expanded our search. We looked in both New Jersey and on Long Island. We found a place in Copaque and that fell through. We like the facility in Deer Park. We recognize that having our employees move out here is going to be a challenge, but we simply had no facility closer that would work.

LEG. D'AMARO:

That was one of my follow up questions, was how do you get the employee base to come here out to Suffolk County.

MR. DICOLA:

We are doing two things. One, we bought a bus and we're driving them out. And, two, we are going to assist them financially to either rent or purchase homes in this area.

LEG. D'AMARO:

Great. How instrumental or critical is it for the Empire Zone designation for you to make the move?

MR. DICOLA:

Very critical. As I say, it's something that we had now and didn't really want to lose it.

LEG. D'AMARO:

So how long have you been operating in an Empire Zone in Brooklyn?

MR. DICOLA:

I believe -- I believe about 6 or 7 years.

LEG. D'AMARO:

Thank you.

CHAIRMAN HORSLEY:

Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. Thank you, sir, for coming to speak to us. We've had the opportunity to go ahead and consider several Empire Zone designations over the course of the year. It's becoming apparent to me that actually each application has its own subtleties, I guess, associated with it. You are moving into existing space that you have or will be retrofitting for your productions?

MR. DICOLA:

It is retrofitted for our production, yes.

LEG. KENNEDY:

Okay. So in essence it's turnkey. Are you in there now producing?

MR. DICOLA:

We're in the transition phase now. We've begun some production but we're not fully operational yet.

LEG. KENNEDY:

Okay. There is a variety of different things, I guess, that go on with hardware manufacture. You have the actual castings that must occur. You also have some plating and finishing work and things along those lines that would happen as well, I would imagine. Do you go for more stock or do you purchase pre-staved material?

MR. DICOLA:

We go from raw stock, but most of our hardware is machined rather than cast. We do have a small -- and when I say small it's a 50 gallon furnace, so it's very small, where we would plan to do some casting. And we also do finishing, plating.

LEG. KENNEDY:

The electroplating, I guess, is something that I'm somewhat interested in, having many, many years ago worked with a small fence contractor who did electroplating. It tends to give off some fumes, you have to work with hoods, you have some, you know, electrostatic whether it is in a bath or something like that. How does your plant accommodate for the byproducts with the electroplating?

MR. DICOLA:

We have a closed loop system that has no residue that needs to be disposed of. We went through a long process with the Suffolk County Board of Health to be certain that our system didn't create any issues for the County. They have approved our design. Our tanks are very small. They are maybe two feet by three feet, but plating nonetheless.

LEG. KENNEDY:

All right. So -- and if you have any waste material then it's handled by a certified hauler, it's removed from the premises?

MR. DICOLA:
Absolutely.

LEG. KENNEDY:
It's disposed of properly?

MR. DICOLA:
Absolutely.

LEG. KENNEDY:
I'm curious as to what the approximate economic benefit is of the Empire participation. Do you have a general idea? Generally there is a range of, you know, millions of dollars depending upon the size of the firm and the gross sales and things like that. How much is this? What's the value?

MR. DICOLA:
Over the life of the Empire Zone it will probably be closer to one million, not more than that, and since we're currently in an Empire Zone I believe we're only -- I believe we're only qualified to continue for the balance in the initial term. So the savings would be probably somewhere closer to \$600,000.

LEG. KENNEDY:
It occurs to me -- this question I'm probably going to pose to Carolyn. So that in essence what's happening is your designation is following you from a prior region, New York City region?

MR. DICOLA:
I'm not sure technically how that's happening.

MS. FAHEY:
Yes. The certification date is when he was originally certified in Brooklyn. It's a ten year period starting from that original certification date.

LEG. KENNEDY:
And when was that, Carolyn?

MS. FAHEY:
About six years ago.

LEG. KENNEDY:
Okay. So he's looking to go ahead and continue that designation to fill out another four years in this area?

MS. FAHEY:
Correct.

LEG. KENNEDY:
And are the -- the metrics the same? I mean, is the rebates with the electricity, this I would imagine is a fairly intense energy type of a use of industry, particularly when it comes to the plating and things like that. Similar as far as your reductions go between Con Ed and LIPA or?

MR. DICOLA:
The discounts I think are similar, but I think the rates for LIPA are less than Con Ed.

LEG. KENNEDY:

Oh, is that right? Okay. I guess it is. All right, sir. Well, thank you very much, you know, for making the trip here. I appreciate it, and thank you for answering the questions. Okay, Mr. Chairman.

CHAIRMAN HORSLEY:

That's good to know, isn't it, that the rates are better. Mr. Dicola, just a quick question. Do you know if -- are you hooked up to the sewer district? Is that building -- would you know that?

MR. DICOLA:

I believe it is.

CHAIRMAN HORSLEY:

You believe it is?

MR. DICOLA:

I believe it is.

CHAIRMAN HORSLEY:

Better check. Either way I'm sure is permitted by the Health Department, but I'm just curious because some of the area up there is not, some is, part of the district -- that neither part of the district, but whether or not they were included at a later date.

All right. Are there any further questions from Legislators? Mr. Dicola, the fact that you are bringing manufacturing to Suffolk County, Babylon Town, I'm all for it and I applaud you for it. It's a good move. You are going to see it's the right place to do business.

MR. DICOLA:

Thank you very much.

MS. FAHEY:

Mr. Chair, if I might. This needs to be tabled for Local Law, a public hearing at the next full Legislature meeting.

CHAIRMAN HORSLEY:

Yes.

MS. FAHEY:

Mr. Dicola would then come back to the committee. Just let us know if you want him to come back and fly in again or if this was sufficient for his presentation.

CHAIRMAN HORSLEY:

We'll poll the members. I'm sure that we'll work with Mr. Dicola. I mean, Ohio is far. If he is travelling from Brooklyn, maybe, but we'll work with you on that Carolyn.

Motion to table by Legislator Kennedy.

LEG. D'AMARO:

Second.

CHAIRMAN HORSLEY:

Second by Legislator D'Amaro. All those in favor? Opposed? So moved. It has been tabled for a public hearing. **(Vote: 3-0-0-2 Not Present: Legislators Stern and Alden).**

1741, Authorizing a renewable energy request for proposals. (Pres. Off.)

Okay. Just so this is explainable, authorizing a renewable energy request for proposals, this is a

photovoltaic proposition where we're going to be putting out a request for proposals.

D.P.O. VILORIA-FISHER:

Mr. Chairman, may I ask a question?

CHAIRMAN HORSLEY:

Yes. I have also, since now I am noting this, I have received a card in the meantime on this particular issue. So I will let that gentlemen come up also as well. Legislator --

D.P.O. VILORIA-FISHER:

I'll wait until the public speaks.

CHAIRMAN HORSLEY:

Okay. That'd be great. Before we make a motion to approve this -- why don't we make the motion to approve. I'll make the motion, second by Legislator D'Amaro, and then we'll discuss it. Can I ask Mr. Lee to come up -- Lee Smith, I'm sorry. Mr. Smith, welcome. Perfect timing. It just fits right in.

MR. SMITH:

Yes, that's what I tried to do. I told them on the Long Island Expressway to have two traffic jams so that I would get here just in time. So it worked out very well.

CHAIRMAN HORSLEY:

There you go.

MR. SMITH:

So worked out very well. Thank you very much for the opportunity to be here. My name is Lee Smith. I run an organization called the National Photovoltaic Construction Partnership, which is a mouthful. Let me explain a little bit about that. Our organization, NPCP, has a mission, and the mission is to grow the market for renewable energy, specifically solar power, and to realize the concept that green jobs can be good jobs.

Now, we're all aware of the fact that the United States is going to be doing something about its overdependence on foreign oil and nonrenewable energy. In fact, we're in the midst of a shift from nonrenewable to renewable, and billions and billions of dollars are being invested every year in the development of a renewable energy industry. It is our belief that this can be a real boon to the American people, to American companies and to American workers if we have policies that are designed to capture the good jobs that can be created as we make this transition.

The transition is already underway. I don't know how closely you follow this, but in the last 18 months electric utilities in this country have cancelled \$45 billion worth of coal fired power plants. They've let contracts for over \$10 billion for new solar electric and solar thermal projects. So it is happening in a big scale. Long Island can be a key player in this because Long Island has good solar resources. You get a lot of sun on Long Island, and Long Island has a high cost of electricity.

Now, I've been involved in the solar business for five years. We've done about 30 different installations all around the country -- small, commercial and residential installations, working closely with the electrical workers and involving training in every case because they are trying to train the workforce for this new industry.

The proposal in front of you would commit the County to explore the possibilities that it has for developing solar -- electric and solar thermal and wind on it's own property. You see, the County has a tremendous resource. You have lots of flat roofs, you have lots of parking lots, you have lots of land. In the renewable energy future that we're facing, all of those things become potential sites

for new energy production.

What we're suggesting, and what this legislation would do, is it would give the County the information it needs to make sure that these renewable energy resources are developed to benefit you as an operating entity that is faced with constantly rising energy costs. It's your resource. The concept is to develop your resource to benefit you as an entity, as an agency, as the way that the people of Suffolk County get important services.

You have operating expenses. Electricity is one of your operating expenses. It has been rising, as you know. Electricity costs have been going up. The national average is over 5% a year. On Long Island it's higher than that. You're likely to see even more increases from LIPA because they generate most of their electricity from nonrenewable sources, natural gas and oil, both of which have gone up in price and which will continue to be expensive and could very well go much higher. So you are going to see constant price increases in this operating expense.

What this legislation would do is give you the information you need to determine how you can support the development of solar power systems and wind power systems on your own property. Now, I know there has been a discussion about making this property available to outside parties, third party project developers, in order to sell power to LIPA. That has a lot of merit to it, but it also makes a lot of sense for you to consider how those properties could be used to directly support your energy needs as well as supporting what LIPA is trying to do.

Let me just give you a couple of examples of the economics of this and why it is important. A one megawatt system, a solar power system of one megawatt, which is -- it's a good sized system, produces about 11,000 kilowatt hours of power a year. And at about 18 cents it is producing about \$200,000 worth of power. If you own the system, the cost to you is constant. You shield yourself from those constant price increases. That is one of the advantages.

The second thing that you need to take into account is that in the future the environmental benefit of solar power systems is going to have an economic value. It goes by the name of renewable energy credits. We don't have it in New York State to speak of. They have it in New Jersey. They are going to have it when the national government imposes some sort of carbon tax or cap and trade system or anything like that. And what's going to happen is your kilowatt hour of electricity that you're producing on your system is not only going to be worth 20 cents as the avoided cost of power, it's going to be worth another 30, 35, 40 cents for the green benefit.

In New Jersey today PSENG is paying 47 cents a kilowatt hour just for the environmental benefit. So somebody who owns a solar power system in New Jersey is going to get about 17 cents a kilowatt hour just for the value of the power, plus another 47 cents for the environmental benefit. That environmental benefit could be an important source of revenue to you if you are the owner of the system.

CHAIRMAN HORSLEY:

Mr. Smith, we do have a timeframe which we have to hold to. If you would, what we would do is invite you back as a presenter in some future meeting. Photovoltaics and solar energy is certainly part of this committee's interest. I don't mean cut you off. Is there anything else you would like to add?

MR. SMITH:

No. I think you are taking an important first step and I applaud you for your foresight.

CHAIRMAN HORSLEY:

Thank you. Good. Thank you very much. Are there any questions? Mr. Smith, thank you very much for coming down here today. We'll be talking again soon. Brendan will take your address and telephone number and stuff like that. I would love to see photovoltaic manufacturing plants on Long Island as well. It makes sense. It's a good thing.

MR. SMITH:

It could be done.

CHAIRMAN HORSLEY:

We know we've got the sun.

MR. SMITH:

Thank you.

CHAIRMAN HORSLEY:

Thank you very much. All right. We have a motion to approve and seconded. All those in favor?

LEG. D'AMARO:

Hold on.

CHAIRMAN HORSLEY:

I'm sorry.

LEG. D'AMARO:

Just on the motion. I'm looking at a copy of the resolution and it doesn't go quite as far as what was suggested here. It really only suggests that Public Works issue an RFP to hire a consultant to do an assessment of what buildings and lands the County may own for the development of solar wind or alternate power facilities. So, you know, we're not quite there yet. That assessment could come back and say well, Suffolk County is not in a position to get into this business, whether due to location or legally. I mean, it sounds to me like we're thinking about becoming a utility company, which, you know, that may work or may not work.

But I just want to point out that this is only to hire the consultant to do the -- authorize the RFP to hire the consultant to determine whether or not this would be a direction that the County could take, if I understand it correctly.

CHAIRMAN HORSLEY:

Okay. Duly noted. Mr. Kennedy.

LEG. KENNEDY:

On the motion. I think that the County Executive just recently, as a matter of fact, identified several buildings that he has already willing to go ahead and make available for LIPA's proposal. Granted, I think we would want somebody who might be able to look at the engineering specs associated with it, whether or not buildings could take the weight, whether they have the sufficient square footage, whether or not we can get the range, particularly for the wind applications, which I think is legitimate as well. So there might be some overlap and duplication here, but by the same token, I do think it is a prudent, good first step going forward.

CHAIRMAN HORSLEY:

Anything else?

LEG. D'AMARO:

No. I'm not opposed to going forward. I just wanted to make it very clear that we're not approving --

LEG. KENNEDY:

Right. We're not building windows yet.

LEG. D'AMARO:

Basically. Hopefully we'll reach that point.

CHAIRMAN HORSLEY:

Very good. All right. Anyone else? That being the stated, we have a motion to approve. All in those favor? Opposed? So moved. It has been approved and moved towards the Legislature. **(Vote: 3-0-0-2 Not Present: Legislators Stern and Alden).**

Very good. Now we have a presentation today. Gentlemen, would you like to come on up and we'll make room at the table? Does Mr. Halpin want to join you as well?

MR. HALPIN:

Do you have room?

CHAIRMAN HORSLEY:

Pat, there's always room for you. Very good. This is a presentation by Polimeni International. I believe that's your formal business identification. There has been a lot of discussion about the possibility of the Cross Sound Link. I've had several radio stations call me this morning asking me well, what does Suffolk got to do with this, this is being proposed for Nassau County.

Well, this is a region, and from what I understand this is a proposal to reduce traffic up to 20 to 30% off of the LIE and some of our other arterial roads; reduce fuel consumption of 24 million gallons per year; reduce our air pollution by upwards of 235 tons a day; and leave us an avenue of escape if there is ever a horrendous, God forbid, hurricane on Long Island. So as an Economic Development Committee that raises our attention and gets our attention.

I thank you guys for being here and I appreciate your bold -- your bold intervention into Long Island politics. So I wanted to give you an opportunity to speak to us and anyone who was interested in listening.

MR. VINCENT POLIMENI:

You left out one important thing. The cost to taxpayers, absolutely nothing.

CHAIRMAN HORSLEY:

That's a big -- I left that for you to say.

MR. VINCENT POLIMENI:

This is a private enterprise. Intended, of course, to be profitable, which we hope it will be. I have just been reminded today that we have been doing this for four and a half years now. On my left is Colin Lawrence, who is with Hatch Mott MacDonald, one of the largest engineering firms in the world. Has, in fact, been involved in almost ever major tunnel in the world, including the one from Paris to England. Most of what you are going to see now is a product of their development and their expertise. I think it would be wise probably at this point to go right into the Power Point presentation which will stimulate a lot of questions and then we can go right to the questions. Colin is going to take the floor and do the Power Point, and then we'll answer your questions.

MR. LAWRENCE:

Thank you. What I'm going to talk about is the Cross Sound Link Tunnel Project. I'll be going through the future traffic challenges of the overall region; the environmental benefits of the project that we're proposing; the tunneling technologies that would be needed to actually construct this tunnel; the north and south interchanges, how we actually connect to the existing infrastructure; possible mass transit options that could be added to this project; and triple P, which commonly refers to public/private partnership, but as this is a 100% privately funded project, we like to call it a purely private pursuit. And additional information on the project.

CHAIRMAN HORSLEY:

I hope you understand Long Island. Nothing is purely private.

MR. LAWRENCE:

And that's why we are here.

CHAIRMAN HORSLEY:

There you go.

MR. LAWRENCE:

So why this project. We have several corridors, highway corridors, the 287 up in Westchester County, the 95, the Cross Island Expressway, the LIE, and the 135. Those are the main highways that we have looked closely at, and commonly referred to as the cul-de-sac the way it performs today. There's three major crossing points to go to and from Long Island, the White Stone Bridge, the Throgs Neck Bridge and the Triborough Bridge.

So if you look at the traffic studies that have been done for this region, and we've taken the NIMTECH projections for 2030. Commonly talking to the public people tend to think that if you do nothing things will stay the same. But, however, the projections tell you something different. What I'm going to show you in a moment, the blue lines represent highways that would be between 80% and 99% capacity, essentially full. The red lines indicate sections of the highway where there are above capacity, greater than 100%, which means gridlock.

The 2030 projections for the region show a picture like that. You can see the main highway, the 95, the Hutchinson Parkway, the bridges and sections of the 495 are in gridlock, all full. Those projections are without any sort of highway improvements, maintenance or even any work on the bridges, which would further congest those arteries.

So what we're looking at, by 2030 the highways will reach or exceed their capacity. The White Stone Bridge will be 91 years old. The Throgs Neck Bridge not far behind it, 69. And from what we've studied, there are no plans in the pipeline at the moment to replace those bridges. The regional impact would be to air quality. That would deteriorate. The economic vitality of the region would be impacted, and correspondingly the quality of life.

So our tunnel that we're planning looks to pick up the 287 and 95 at its interchange, extend underneath the Long Island Sound and connect to the existing stub on the 135 that a certain Mr. Moses kindly left in place.

The environmental benefits, as you mentioned earlier, there would be fuel savings, conservatively, of 24 million gallons per year. And that's really just calculated on the shortened travel distance. Reduce carbon dioxide emissions of up to 235 tons per day; carbon monoxide 18 tons per day. And because it's in tunnel, a tunnel has the ability to capture the exhaust emissions and therefore scrub the emissions and so reduce particulate matter. The existing corridor at the moment is open to the atmosphere and no means to capture that.

It provides alternative access to and from Westchester and Long Island in the event of severe weather, planned disruption at the bridges in the event of necessary maintenance, but also unplanned disruption at the bridges should anything happen to either of the bridges, whether they collapse or maybe a terrorist attack, God forbid. And it would certainly ease gridlock from the boroughs going eastwards.

So our tunnel is essentially three tunnels; three lanes in each of the outer bores, so three lanes in each direction, and a central bore that will allow emergency evacuation should it be needed and also provides required ventilation to the tunnels along their length. I'll go into that a little bit later.

Now, we have a standing joke within the team that when we first started -- just before we started to

present for this project, Newsday brought out this edition, and while we know that Mr. Polimeni is good, we don't think he's that good that, you know, Dreaming of Cleaner Air in Long Island. Clearly there is a public need to improve the environment here. We think this project's time has come.

I've mentioned the alignment. Essentially it would be three bores for 18 miles. On the southern interchange we would be connecting to the stub just immediately north of Jericho Turnpike at the existing cloverleaf on the 135. On the north side we would be connecting to the exiting interchange between the 287 and the 95, picking up traffic in all directions.

So we've looked around the world for similar projects. You have the Channel Tunnel between England and France; the Arlberg Tunnel in Austria; the Laerdal in Norway; the Zhongnanshan in China; the Seikan Tunnel in Japan; the SMART Tunnel in Kuala Lumpur. We've actually recently just finished that. That's a double deck highway tunnel which during the monsoon season is evacuated of cars and allowed to flood deliberately to alleviate flooding in downtown Kuala Lumpur. And it actually works, thank goodness. The St. Gotthard Tunnel in Switzerland is another project, and the Guadarrama in Spain.

What we think is we are one of the last continents here to get in on a good thing, and we think the Cross Sound Link project would be consistent with these projects around the world.

Now, the sort of technology needed to build such a tunnel was not in existence 30 years ago. It used to be immersed tube where you dig a trench and you sink a unit. This is actually bore tunnel technology for soft ground conditions. We've got -- our company has over 25 years experience in this technology from the Channel Tunnel, Store Baelt in Denmark, and at the moment we're engaged with a 47.4 feet diameter tunnel underneath Niagara Falls. So it is actually taking place as we speak.

Comparing it, the length of this project with other tunnels around the world, the bottom access of this graph is miles. It goes from zero to 40 miles. And looking at transportation rail tunnels, you look at the Gotthard base tunnel in Switzerland nearly 35 miles in length, the Channel Tunnel was over 30 miles. Rail tunnels have tended to -- have tended to proceed the highway tunnels in terms of length. Highway tunnels are playing catch up because of the size of the machine needed to facilitate the lanes of the highway. However, the technology has developed to the extent that much larger tunnels, much larger diameter tunnels, are now possible. The Cross Sound Link Tunnel would be by no means the longest transportation tunnel in the world, but would be the longest highway tunnel in the world.

The Channel Tunnel developed the triple bore configuration as a concept. We have taken this technique and applied it to the Cross Sound Link Tunnel.

I mentioned earlier the outer bore to three lanes. If you compare it with the Queens Midtown Tunnel or some of the other tunnels around Manhattan, they tend to feel flat roofed, very, very confined. The reason for that is that the ventilation fills up the space in the roof of the tunnel. By the have center bore, we are able to take all of that tunneling infrastructure out of the main bores and open up the head room for the tunnel, that way improve the ergonomics of actually using the tunnel. We're mindful that an 18 mile long tunnel needs to be a comfortable experience and not one that feels very confining. So it has a benefit of a very high headroom for the tunnel.

We would have cross passages regularly spaced in accordance with national and international standards for emergency egress and evacuation with a dedicated fleet that would allow evacuation through the central service bore to the surface. Those would be spaced at right about seven or 800 feet to give you an idea. So quite a lot of cross tunnels between the main bores. The main bores would be approximately 55 feet in diameter, and the central service tunnel approximately 38 feet in diameter, with about 50 feet separation between the bores.

Looking at the geology in the region, on the left we have the Westchester County side near Rye up

here, and we have -- the green shows the bedrock that extends and goes deep as it goes under the Sound to Long Island. Overlying the bedrock are sediments of Sound, silts, clays, and we would intend to drive the tunnel from both sides to meet at a convenient place in the middle.

The sort of technology we would employ is an earth pressure balance machine. This has a rotating cutter head, which is configured to excavate the ground, behind which is a chamber where the excavated soil builds up, forms a pressure that allows the face of the tunnel to be balanced so that it makes tunneling very stable. The muck is then extracted very carefully with a screw conveyor and discharged on to a belt conveyor which, in turn, is taken out of the tunnel.

Immediately behind the tunnel machine precast concrete segments are erected, each segment having a high pressure seal around its perimeter. This means that water and soil does not enter the tunnel during tunneling for the safety of the workers. By having this configuration essentially you have a submarine so that while water and soil can't get in, the ground doesn't really know that you're tunneling through it because everything's watertight. So from an ecological perspective it's a much better means of tunneling than the earlier tunneling methods.

So on the north interchange we have the 287 and the 95. We are looking to do some slight modifications to make some space so that we can then install the new westbound lanes for the tunnel and the new eastbound lanes, and also some security facilities for entering the tunnel.

So in terms of what does it look like on the surface, if you take away the actual tunnel, this is what you would see. We've been able to actually fit this into the -- more or less into the footprint of the existing interchange.

On the south interchange we have the, just north of Jericho Turnpike, the stub for the 135, and we intend to start tunneling immediately, get underground and head for the water as quickly as possible along public right-of-way. So looking at that more closely we'd make improvements along the -- between the Jericho Turnpike and the Long Island Expressway we'd make improvements for the local access roads. We'd remove the lower cloverleaf connections on the Jericho Turnpike as we don't want the turnpike connecting directly into the tunnel, although you would be able to head south and then enter the tunnel from the junction with the Long Island Expressway.

We also intend to box in that section. The existing 135 is in cutting and we intend to build a box structure that boxes it in. And why would we do that? Well, first of all, we have to isolate the local and maintain the local northbound and southbound access roads, and then you have the three lanes northbound and southbound approaches for the tunnel. But more importantly, we can then backfill over that structure and create a park, one that would be working with the community to design that park in a way that it would be to beneficial to the community, but two, it would also act -- serve as noise and vibration and dust abatement, all construction activities going on within the confines of the box so that you don't get the beep, beep, beep from the construction. We have residential to the west of 135 and light commercial to the east.

Now, this park -- sorry. Underneath the structure we'd also have high speed EZ pass and the tunneling services would be stored underground.

The park would be about in excess of 50 acres and we've shown one configuration. It could include tennis courts, jogging tracks, possibly a mile and a half of jogging. And also allow some sort of interconnection, whether it is by underpass or by foot bridge, to connect the two parks together, both sides of Jericho Turnpike.

This is a low key portal, however, we would look at the aesthetics of the portal and certainly would be designed in an architectural sense and working with the community, something that would certainly be consistent with the area. Some typical renderings of what the park could look like are also shown.

Now, looking at the traffic corridor, from the NIMTECH projected data, we anticipate 300 -- between 250,000 and 300,000 vehicles a day using that corridor. With the installation of the tunnel, we expect up to 80,000 vehicles a day to use the tunnel, which would correspond to reductions along the corridor which we've estimated at between 20 to 32% in traffic reduction.

The benefit of this is reduced wear and tear on the corridor; reduced maintenance costs; deferred construction of new highways. But really the bottom line is cleaner air. In approximately 25 years -- in approximately 25 years the project would allow a smoke reduction of the region of up to 17%. That's based on the fuel savings of over 24 million gallons per year and the reduced CO2 emissions.

The air quality improvements will accrue across the region. It's not just for the users of the tunnel. Both toll pairs and non-toll pairs alike, will provide healthier and an improved quality of life and a sustainable project with a reduced carbon footprint. There's not many highway projects that could provide benefits like that.

Mass transit considerations. We have looked at two possibilities, bus rapid transit and rail transit, which we would consider an optional possibility. We're not looking to provide a rail connection, and certainly as a private venture I don't think there is many rail facilities that would work commercially. Most rail facilities require heavy subsidies. However, with the bus rapid transit we could fairly easily provide a bus HOV lane connecting to the hubs on either side.

For rail transit -- just a moment, I'm limited by the network. For rail transit we have the possibility of increasing the central bore to a similar diameter to the outer bores and possibly provide a future space for a rail connection, understanding that it's not on a recognized route from -- a recognized corridor for rail transit users. If you look at the portals, MTA do have lines on both sides that go very close to the portals. Metro North Railroad on one side, Long Island Rail Road on the other. I understand enough that although both have a third rail, both have very different trains in terms of operation. You'd have to develop some sort of dual use train to actually do a meaningful connection. However, the possibility exists and if a rail corridor was considered beneficial, then space could certainly be provided in that central bore.

So what about the financing. I'll hand that back over to Mr. Polimeni who would explain the financing of the project.

MR. VINCENT POLIMENI :

Thank you. The financing, as I mentioned before, is intended to be private. The equity would be raised from the Stock Market by having this company go public. Anyone who wanted to invest in it would do so. That money would represent approximately 20-25% of the venture. The balance of the money would come from tax free bonds, which only has a limit of about two billion dollars, and the balance would be from bonds -- tax bonds.

The project is anticipated to cost approximately ten to as high as \$12 billion if you include the rail component. How it gets paid, we would intend to charge \$25 per car in both directions, and \$100 per truck in both directions. If you do the math, you can see how easily it can handle the cost.

One very important point. We intend to use congestion pricing to a major advantage here. There would be no toll booths, by the way. All this will be done with cameras, and eventually by the time this gets built you won't need that. All cars will have indentifications which will be easily picked up by machines.

By bringing in congestion pricing for the tunnel we can pretty much generate, one of these trucks, the 18 wheelers would go by simply making it a hell of a lot profitable to go at night off peak hours. The same thing for cars. So we feel we can further enhance the value of the transportation situation by bringing this pricing into a major effect here, which we could do. Again, the price that I am quoting to you now obviously are today's dollars and when we start the job next year it will probably

cost a little more. That's a joke. Why don't I open the floor to some questions.

CHAIRMAN HORSLEY:

Sure. Going back, Mr. Polimeni, first of all, I applaud you for your vision. You know, it's shades of Governor Rockefeller and Robert Moses. Just -- how do you, you saw, though it was made 40 years ago or 50 years ago, whatever it may have been, do you feel that the climate is so different now that the public and the politics of the day will accept a project of this magnitude in somebody's backyard?

MR. VINCENT POLIMENI :

Well, it's not in someone's backyard, it underneath someone's backyard, which we see as the major difference here. We're going to build 118 miles of new highway and you are not going to see one mile. That's wow. You are not going to be impacted. In fact, we are going to enhance the area. Senator Marcellino happens to live right there. That's why I put the park in. But it's great.

CHAIRMAN HORSLEY:

Moses would have loved that, that touch. I think that's great.

MR. VINCENT POLIMENI :

If you know the area, if you are familiar with 135, it kind of drops down. The first thing we would do there is put a concrete pad over the top of that so all the work would be done underneath that. And at the end when we are finished that piece would be converted to a park. So what's there now will be substantially enhanced than what they're looking at. So, Carl, will like that.

CHAIRMAN HORSLEY:

Has he signed off on this, by the way?

MR. VINCENT POLIMENI :

Excuse me?

CHAIRMAN HORSLEY:

Has Carl signed off on it?

MR. VINCENT POLIMENI :

No.

CHAIRMAN HORSLEY:

We're not that far along, okay.

MR. VINCENT POLIMENI :

It has his interest, quote unquote.

CHAIRMAN HORSLEY:

Okay.

MR. MICHAEL POLIMENI :

In this day and age it is not a matter of whether this project should happen. It needs to happen. I think the climate has changed to the point where the volumes that we're looking at in the next 25 years aren't going to make our commutes difficult, they are going to make them impossible. This needs to happen in some way or another. The added bonus to this this time is obviously the economy is struggling.

CHAIRMAN HORSLEY:

Ten billion is quite an injection.

MR. MIKE POLIMENI :

Yes, and then the civil works projects of the old that took us out of the hard times that America saw, there simply isn't enough leadership at the moment to get behind that right now. The way we've taken that out is by making it public/private and by allowing it to then be traded as shares and that anyone that wants to utilize it can then take it. And we don't think it should happen, we think it needs to happen.

MR. HALPIN:

Yeah, why not -- I just want to add one thing. There are very few opportunities that we have to address the serious and growing congestion problems. This is one. Going back to the days when Robert Moses proposed this, the need for it was great. Today it's absolutely essential. Had this tunneling technology existed back then I'm sure it would have been built. The reality is, is that when we look at our region, our vitality, and you raised a very important point when you asked why is this important to Suffolk County. This is important to not just Queens, the Bronx, Westchester, because all of that -- all of that truck and vehicle traffic will use this as a bypass, and Nassau County, but it is essentially the County that I think benefits the most from this are residents and goods and commerce that are trying to get on and off Long Island that are making their way out to Suffolk County.

All of us have traveled that route any time we head north, whether it be to Albany or to visit a child Upstate, New York or go on a vacation or go on business and have seen how long it takes to get from western Nassau County through Queens, across the Throgs Neck Bridge, up 95. To think that you could now bypass that with a 17 mile tunnel traveling at 65 miles an hour, because, by the way, the DOT officials that we have met with have told us that 60 to 70,000 vehicles is nothing. We could actually accommodate over a quarter of a million vehicles with the lane space that's available with three lanes in each direction, that you will literally fly through there. It will not only provide relief to congestion here on Long Island and New York City, but also Westchester, 287 and elsewhere as those vehicles today and forever until this is built, you know, are making their way to Long Island.

CHAIRMAN HORSLEY:

Very interesting. Is the politics of Rye any different than -- it is Rye, right, that you end up?

MR. VINCENT POLIMENI :

The politics of Rye are a major negative.

CHAIRMAN HORSLEY:

I could imagine.

MR. VINCENT POLIMENI :

I have to be perfectly honest with you, they are. Steve Otis, the Mayor of Rye, he and I have met several times. He's concerned, and rightfully so, that it may create more traffic. I promised him that if that's the case after we do a traffic study I will not do it because I live here and I don't want this to make it worse. I really don't. He's agreed that if that's the case and you can show it, he would change his opinion about it. I think we can reduce the congestion there. Again, like I said, we have 118 miles of new highway. Just the queuing alone of the number of cars that would be there would take the congestion away. And with the congestion pricing we can make it much easier for the traffic that is there now to be mitigated over a much longer period of time. So, he's willing to listen. Initially he's against it, but he is willing to listen.

Our next move, quite frankly, when asked that question, is to do a traffic study. We've been up in Albany now and we're waiting for their authorization to do that. We can't do it because it won't be believed. We can work with the people who are going to do it to make sure that the outcome is correct, and then when we're finished with that we would then like to -- they can take it to the next level. But the next step is really a traffic study, a regional traffic study because it is a regional

project.

CHAIRMAN HORSLEY:

That was one of my questions, what is the next step from here. Obviously, come to the Suffolk County Legislature first, but after that then what. That's interesting. Legislator D'Amaro.

LEG. D'AMARO:

Thank you, Mr. Chairman. I can't tell you, I agree with all of you, Pat, how many times we're all driving along and like when are they going to build that bridge or tunnel, I mean, this is just ridiculous. I couldn't agree with you more. But being in this position and, you know, having to consider some of the larger impacts, I have just a couple of questions. But I do appreciate that you have vision and are responding to the needs that we have and I think it would benefit greatly Suffolk County to have some means of transportation over that or through or under that Sound. Of course we have our ferries, but they don't have the capacity, obviously, that a tunnel would have.

One of the things you mentioned was the cost. No cost to taxpayers, but of course cost to taxpayers who happen to own vehicles that want to travel through the tunnel. And the cost is \$25 each way per car, and maybe \$100, this is your projections, per truck or commercial vehicle let's say. Is that driven by a built-in profit because this is a private project? Is it regulated in any way? Is there any proposed oversight of the cost of going through the tunnel?

MR. VINCENT POLIMENI:

No. No, the -- because the beauty of this whole concept is the person in the car has an option. If they feel the price is too expensive, they can just go the way they have been going. So they are not in a situation where they are trapped.

LEG. D'AMARO:

Well, when you get into Public Works projects, however, you know, it's really, you start to get into more of a gray area. If we are going to use the resources of the County and the Sound and come up in another county, you know, people also when you talk about interstate transportation have a right to drive on our roads and things like that.

I think it is unique to do this privately and I understand that it's probably the only way it can get done at this point given the prohibitive cost of doing it. But certainly we don't want to -- we have to be a little -- we have to question when we take things that are traditionally a public or governmental function and turn them into private profit making ventures, how does that impact the public and how is it regulated? I think that's something we have to keep in mind when we do something like that. Now, your answer is no, there is no regulation to that, so it would be just market driven.

MR. VINCENT POLIMENI:

No, no. My answer is they have an option. This is where probably the only place that I can ever see where the driver has an option to either go to the tunnel and pay \$25 or go the way he has been going. It isn't that you must go this way.

LEG. D'AMARO:

Well, I would think that if you need governmental approvals to get this done, which I'm sure you do, there must be an approval process on both sides, I would think that a part of the trade off there would be that if government jurisdictions are going to permit this to happen and if there is going to be a built in profit for it to happen, then perhaps we are entitled to some type of oversight. Just a thought, okay, I'm not looking for a debate. But it is just a thought.

MR. MICHAEL POLIMENI:

I might be able to speak to that. As you know, congestion pricing almost saw the light of day about a year ago, a half a year ago, for New York. We are taking a lot of things -- we're assuming a lot of things because of the amount of time it is going to take to get this project to see the light. First,

we're assuming that high speed tolling plazas, which, in effect, not tolling plazas at all, will be, you know, commonplace. We're also assuming that congestion pricing will also be commonplace, that there will be a logic behind it, a theorem that's, you know, regionally accepted at that time. Whatever it is, it will more than likely be applied to this facility. We would be leasing the property, because technically the state that owns the property underneath the Sound, we would be leasing that to then --

LEG. D'AMARO:

Yeah. I was going to get to if you had easements or leasing.

MR. MICHAEL POLIMENI :

Yes, exactly. And in leasing it we would utilize that cost to offset both the losses of revenue at the bridges and considering a facility like this has never taken place, you know, on American soil, that there are going to be a lot of things that literally we'll be inventing the wheel. I'm one hundred percent positive that your concern will definitely be attended to.

LEG. D'AMARO:

That was another thought that I had. You know, you are shifting a revenue stream perhaps away from the authorities that collect -- I don't know much about it, but the bridges and tunnels, and use that as a revenue stream to fund project.

MR. MICHAEL POLIMENI :

Absolutely.

LEG. D'AMARO:

So, again, that's a thought that comes to mind. You know, are you shooting yourself in foot in effect.

MR. VINCENT POLIMENI :

No, we recognize that.

LEG. D'AMARO:

Okay. So that's built into this.

MR. VINCENT POLIMENI :

The state owns the land under the Sound. By the way, we'd be 150 feet below the surface and below the water. That's how deep we are. Because we know the state obviously would be impacted by the loss of revenue, we plan on leasing the property necessary to create this, which would offset that loss. In fact, make it much more profitable. You'll get reduced traffic and you are going to get the same income.

MR. HALPIN:

And I think there is something to keep in mind here. Polimeni International, the entity that's creating, is assuming 100% of the risk as are all the investors. That is not a small consideration. In the case of other projects that have been public projects, the taxpayers assumed 100% of the risk, and they are on the hook for that and cost overruns.

The second point is, is that there is no way that there is enough public capital available to construct this. None. The typical bond issue that the State does is a couple of billion dollars, and most of that money goes for just maintenance. So when you look at the capital plans that we have for the region, and you're experiencing it right now in trying to figure out how to come up with some money for a bypass around Sagtikos to deal with the traffic congestion in that corridor along Sagtikos, you recognize that that isn't going to happen.

Because of the -- because of the enormous traffic congestion that is anticipated, and by the way, every NIMTECH traffic study has underestimated traffic congestion over the years, so that's a

conservative number. Really what we're doing is creating a bypass and having the private sector invest, and this is one of the few areas where you can do that and do it with some confidence that you will generate enough traffic.

Now, at the end of the day, as Mr. Polimeni said, not only do people have choices, but there are market conditions that will dictate whether or not people take this tunnel. One of it is going to be the price of fuel. The second will be the price of the tolls at the Throgs Neck and White Stone, and the third, by the way, is the price of a ferry ride. A ferry ride is \$50 from Port Jefferson over to Bridgeport. So those are the choices that are out there. So you raise an interesting point and I actually think this is one of those areas where the market will dictate what the toll is. And if it costs a little more to save a lot of money, people will take it. If it costs a lot more people are going to decide well, is the traffic that bad between here and the Bronx.

LEG. D'AMARO:

That's a great point and I agree with you, except that when you have public infrastructure it is usually subsidized by a broad base of taxpayers.

MR. HALPIN:

That's right. But in this case it's not public infrastructure. But there will be a public contribution for the rights -- for access to the rights of way.

LEG. D'AMARO:

Thank you. Two more quick areas I wanted to cover, and, you know, this is not being critical. It's just something that, you know, I'm sure you -- I am not reinventing the wheel here, but these are some of the questions that I would have on something like this.

You mentioned about added traffic. Does it -- my understanding of the collective mentality on Long Island is that we like to keep a suburban character. You know, you always hear about the stories. My own parents moved from the city setting into a suburban character. And that did cross my mind while you were making your presentation is, you know, once you provide this access that I as a current resident feel, you know, I would love to see it happen tomorrow, but my questions are does it, in fact -- why wouldn't that generate more traffic and encourage more development into the region, which is not necessarily a bad thing, but would it.

And then the second real important question in my mind is how does it change the character of eastern Nassau County and Suffolk County as you go further east, which I can tell you from my experience here, my colleagues that represent the east end are extremely protective of. If you make it easier to come to this section of Long Island, there has to be some thought given to what's the impact of that, other than the fact that, of course, from a traffic basis it is a wonderful idea. And has that been addressed or would you be addressing that.

MR. VINCENT POLIMENI:

I have been building on Long Island this September for 25 years. The zoning here, as you well know, is unbelievably difficult. So, frankly, it would be the individual towns to decide whether they want more development. You've got the zoning there and you can control it, not you personally, but the villages and towns can certainly control what gets built and what they don't want, which they are doing. I don't see that changing at all. So, frankly, they'll decide whether they want to take advantage of some additional development or not.

And in Rye you can't build a house anywhere. I talked about Steve Otis. There's no way. There is nothing to build. There is no land to put it in. So we don't see that as a problem, we are just concerned about will it create more traffic going through Rye, which is a very legitimate question and we are going to answer that.

But here, I really don't see, unless the towns and the villages want it, I don't see it happening. It

takes me eight years to get a little house built.

LEG. D'AMARO:

Well, you know, with all due respect, my experience is somewhat different than that. I think, you know, what I was really speaking to is it would create the pressure to have to take a hard look at the zoning and densities and things like that if you were bringing a lot more traffic, especially commercial traffic, into the middle of Long Island.

MR. HALPIN:

I think the answer, though, is that the traffic projections that we're anticipating are NIMTECH. The is all, you know, federally and state and regionally -- it's an organization that develops that data. They are doing that based on the growth that is anticipated. The key to this -- the key to keep in mind is the point that Mr. Polimeni -- zoning is controlled by village and towns. And I want to just share a thought with you.

When you go to the North Fork they have that North Road which is a great bypass around the villages of the North Fork. When you go to the South Fork, you have bumper to bumper and you all have been involved in different traffic improvements on various County roads. Governor Carey at one time years and years ago proposed a similar bypass using LILCO, at the time, rights of way and railroad rights of way to build a similar bypass on the South Fork. Everybody said if you do that you are going to destroy the character of the area.

Well, the character of the area has changed dramatically from those days. In a lot of respects it is more congested than the North Fork that has the bypass. So the issue is not that the roads bring the traffic. The traffic comes based on the desirability of the area and the zoning that permits the development. You still have the traffic. In fact, it's a lot worse on the South Fork and very dangerous. Legislator Horsley, I'm sure you remember when Governor Carey proposed that as part of one of his initiatives, the State of the State.

CHAIRMAN HORSLEY:

I hadn't thought of that in a long time.

MR. HALPIN:

Everybody on the South Fork said no, if you build it they'll come. Well, they still came. So I don't see this as dramatically changing the character of our region. What we have seen is that -- is that infrastructure improvements always, always, always lag behind the development, i.e. Commack Road is another prime example of that. We knew eventually that corridor would be redeveloped and the infrastructure is unfortunately probably ten years behind the development that has occurred there.

LEG. D'AMARO:

And the technology wasn't there either. And I agree with you completely that, you know, I'm not sure that the vast change in character would be driven by putting a tunnel in and having some traffic come through it. But at the same time it's something that I feel should be considered and I guess the traffic studies eventually will show how much new traffic are we bringing -- you know, there is all kinds of experts I'm sure ready, willing and able to do those studies. But the bottom line here is that, you know, those are some of the issues that would come to my mind.

The last thing I wanted to ask you just very quickly was the interchanges on both ends. The feeder, what do you call them?

D.P.O. VILORIA-FISHER:

Portals.

MR. MICHAEL POLIMENI:

Portals, yeah.

LEG. D'AMARO:

Portals. I like that word. That's good. Portals. How do you stop those from getting just jammed?

MR. MICHAEL POLIMENI:

It is important to remember that these are three lanes going into three lanes.

LEG. D'AMARO:

Oh, it is. Okay.

MR. MICHAEL POLIMENI:

So in Midtown Tunnel, the Lincoln, you have what is called a bottleneck -- a pinch, pinch-point. In this case you have no tolling plaza whatsoever. You have no lane down at all. There is no bottleneck, there is no pinch-point. The entire theory of this tunnel is high speed. And, quite frankly, from an economic point of view, we have to sell this tunnel. I mean, at the end of the day this isn't a Public Works, this isn't a civil road, this is a commodity. And we have to make it as enjoyable as is humanly possible. So to keep it flowing very, very quickly we have engineered it so that there are no pinch-points. It is very ergonomic.

MR. LAWRENCE:

I would just like to add we are anticipating 80,000 vehicles a day maximum. That's not the capacity of the tunnel. The capacity of the tunnel is in excess of 300,000 vehicles a day. So this tunnel will not be running full at 80,000 vehicles a day. Therefore, I wouldn't anticipate, unless there is an accident, which happens on any highway, I wouldn't anticipate backups of traffic using the tunnel.

The second thing, just to the points being made earlier, this is not a new route. This is a bypass. So in terms of what business will it attract, the business can already access the areas that we are connecting to and from. I think the point that should be considered is if you do nothing, what business will you lose, because when you look at the red lines on the map, that's gridlock. You know, how long does that start to impact business.

LEG. D'AMARO:

That's a great point. With that, I, you know, just again, offer my thanks to all of you for taking the time today to explain this beyond what we just read in the newspaper. I wish you the best of luck. If there is any way we can assist or I can assist you just let us know. Thank you. Mr. Chairman, thank you.

CHAIRMAN HORSLEY:

Thank you, Legislator. Pat, I may add that the bypass that the Governor, he'll always be the Governor to me, when he proposed that they almost crushed him.

MR. HALPIN:

Yes.

CHAIRMAN HORSLEY:

He had to take down the tolls on the Southern State Parkway just to gain back some of his popularity so that he could be reelected.

D.P.O. VILORIA-FISHER:

I remember that ten cent toll.

CHAIRMAN HORSLEY:

It went to 25. So I wanted you to keep that in mind. Legislator Vilorio-Fisher.

D.P.O. VILORIA-FISHER:

You don't have to go quite that far back and quite that far east to have an analogy. When I travel along Nesconset Highway, I think of what it could have been had we had the foresight to plan what Sunrise Highway looks like, because the congestion has grown. As horrible as it is for me to go through 31 lights between the time I get off the Northern State and the time I get to my house, no matter what time of the day or night I'm out there. And Nesconset Highway ends, you go on to 25A, and that building has continued to go on in Miller Place and Mt. Sinai, etcetera. So people need to live somewhere. Those are the demographics moving east and we have to deal with what we know will be occurring.

I had a couple of questions that are really moot at this point because I was going to ask about the environmental impact to the marine habitat, but if you are going 150 feet below the surface that is not an issue. But I would assume that this would be a very complex environmental impact statement on this.

MR. VINCENT POLIMENI :

Actually, we have met with Adrienne Esposito. I am not sure you are familiar with her.

D.P.O. VILORIA-FISHER:

We know who she is, yes.

MR. VINCENT POLIMENI :

That makes that easy. We gave her the presentation and she likes it. She thinks it has value -- not to say it's right now, she wants to look into it, but she feels that what we can do to the environment outweighs some of the small amount of impact it would have.

D.P.O. VILORIA-FISHER:

But my question was more in terms of the time. You know, what would be the scope of an environmental impact statement. I'm assuming that once you feel that you can move ahead then you would start working on those draft environmental impact statements. How many years do you think that would add to this or is it as complex as I am thinking it might be?

MR. VINCENT POLIMENI :

I'll let Colin answer.

MR. LAWRENCE:

The environmental impact statement would, of course, be performed and scoped in a satisfactory way. But we are not looking to avoid doing that and that would be taken into account in our current thinking and planning.

D.P.O. VILORIA-FISHER:

I happen to agree that this -- I feel that this is very timely. We are, as a municipality, as a region, we are looking for ways to reduce our carbon output, and if we were to set a goal on how deeply we can cut into the tonnage of CO2 that we're putting into the atmosphere, then certainly cutting 200 tons per day would be an important factor to consider in what our goal can be. Because as much as we look at our power plants we have to look at how individuals contribute to the carbon output and much of that is vehicular traffic.

When I look at 347 and observe the kind of energy that has to be expelled when those cars come to a stop and have to accelerate again from a stop, moving traffic is always better than stopped traffic. So this is really, and with what Pat said, I have to echo what you said, Pat, about the cost of fuel. When I was saying to one of you that just yesterday I drove up, went over the White Stone and came back over the Throgs Neck and we did spend the money on the tolls, which you almost forget once you have EZ pass, but we spent the money on the tolls and the money on the gas. So all of that has to be weighted against what the charge would be.

MR. LAWRENCE:

Yes. The incremental difference isn't that great.

D.P.O. VILORIA-FISHER:

No, it becomes a smaller difference when you are looking at the cost of fuel, and of course the environmental impact makes sense. I was thinking geographically of where you come out. You are in Rye. So that is north of that Cross County Expressway, isn't it?

MR. LAWRENCE:

Yes.

D.P.O. VILORIA-FISHER:

And there is always a bottleneck there. I take the Hutch and the Cross County is always a big bottleneck in lower Westchester. And so it would seem to me that for the people in Westchester County this would be a great benefit because it has eliminated some of that traffic. That is a terrible snarl.

MR. LAWRENCE:

The Hutch is already congested and it gets really much worse by 2030 and it is schemes like this that would alleviate that. But what I would say is the environmental groups in Long Island did have a problem with our figures. They felt they were too conservative and they felt that the fuel savings and the particulate savings could be much greater.

D.P.O. VILORIA-FISHER:

You didn't even mention particulates and that is an important piece.

MR. MICHAEL POLIMENI :

A very important factor here is that the numbers that you've seen in terms of the environmental savings and the time savings and so on, the environmental benefits, are very simply route A as it exists today, versus route B, which would be with our facility in place. What we did not factor into any of these savings is hydrostatic precipitation technology, air scrubbing, because, quite frankly, it is not provable yet. Fifty percent of science says it works, the other 50 says it doesn't. We were not willing to put anything like that into this presentation.

We're representing only a car, you know, or the monocombustion engine traveling at 55 miles an hour, stop and go, stop and go; versus one traveling at 65 miles an hour with a 45 mile difference. So, and, you know, we try to make that clear. Maybe we don't make it clear enough, but we have not factored in what that technology implemented into our facility would save.

D.P.O. VILORIA-FISHER:

So your mitigation in the tunnel is not something that's being considered when you are figuring --

MR. MICHAEL POLIMENI :

Correct. Our capturing of that, of those particulates, you know, X, the OX, none of that is in here. We can't represent it one hundred percent, and the last thing we need is 50 percent of that scientist community coming out and saying, "Well, you can't say that".

MR. LAWRENCE:

We accept our figures are conservative.

MR. MICHAEL POLIMENI :

Yes.

MR. LAWRENCE:

We know that. We did that deliberately.

D.P.O. VILORIA-FISHER:

Okay. I am just trying to picture that southern portal. It comes right off of the Long Island Expressway. Yes?

MR. VINCENT POLIMENI :

Correct, yes.

D.P.O. VILORIA-FISHER:

So would it be the kind of configuration that we see where we have the Meadowbrook and the Expressway and the Northern State where you have traffic that is going this way? Through lanes would split off and go into the tunnel from the LIE? Is that how you are?

MR. VINCENT POLIMENI :

One thirty-five now is how you would get to Jericho if you were going there.

D.P.O. VILORIA-FISHER:

Right.

MR. VINCENT POLIMENI :

It would be exactly the way you'd go. That whole interchange, which was designed for a bridge.

D.P.O. VILORIA-FISHER:

What about people who want to go to Jericho?

MR. VINCENT POLIMENI :

We have two side tunnels, because the worst thing in the world would be anybody getting on or off Jericho. It can't take that kind of traffic. It wasn't designed for that.

MR. LAWRENCE:

Those would be separated tunnels --

MR. VINCENT POLIMENI :

You can't get there from the tunnel. There is no way --

D.P.O. VILORIA-FISHER:

Right. I had forgotten you said there were two local tunnels.

MR. VINCENT POLIMENI :

Correct.

D.P.O. VILORIA-FISHER:

Right. Okay.

MR. MICHAEL POLIMENI :

The volume that utilizes the local roadways right now, there is no way we could simply make those arteries disappear, so we accommodated them by isolating them from this facility because the volume --

D.P.O. VILORIA-FISHER:

So then why would Senator Marcellino have a problem with that? You are actually eliminating a couple of lanes of traffic.

MR. LAWRENCE:

I don't think he appreciated the specific {date hills} of what we were proposing way back --

MR. MICHAEL POLEMINI :

And in his defense, he didn't have a problem with it. He was impartial and, you know, that's all that a project of this size and scope can hope for at this stage.

MR. VINCENT POLIMENI :

Also, when we made the presentation to him, which was like almost two years ago, we didn't have this park. We didn't create that, the lid that we're building over there, which is the natural point because it drops down naturally, 135, below on both sides, and we came up with the idea so that we wouldn't have the noise to create this lid. Then, of course, what do you do with the lid afterwards, let's make it a park. So what he sees now, which is a highway, is gone, and what you are going to have is a park.

D.P.O. VILORIA-FISHER:

Can you just walk us through what happens next in your process?

MR. VINCENT POLIMENI :

Well, the traffic study is next. We have been to Albany now. We are waiting for the DOT to come back and say give us the go. They have to be involved with that study, otherwise it loses credibility. The next move is the --

D.P.O. VILORIA-FISHER:

DOT will set up public hearings in the local areas, is that it?

MR. VINCENT POLIMENI :

No. They'll basically put together a whole traffic study which we will work them on a regional level. If we do this, it's there, what happens. Will there be more traffic, less traffic, where would it be, what's going to be impacted, what will not be impacted, what should we change to make it better or not. That's the next step. Like I said before, if it turns out that you are going to create more traffic, then it is a non-starter.

MR. LAWRENCE:

It would be consistent with the NIMTECH's best practice model.

D.P.O. VILORIA-FISHER:

And have you spoken with the MTA or any other --

MR. MICHAEL POLEMINI :

Our unofficial with the MTA was at our senate hearing, actually, when Carl Marcellino held it and I had brief words with them. But at the time we hadn't thought of the bus rapid transit quite yet.

D.P.O. VILORIA-FISHER:

Long Island is terrible to get on buses.

MR. MICHAEL POLIMENI :

We completely agree, but, you know, considering the scope and the regional spirit of this, we take all input and we just see if we can make it work.

MR. LAWRENCE:

It evolves with good ideas.

MR. VINCENT POLEMINI :

One other point I make, that intersection in Rye, right now you've got to go through this spaghetti intersection that is there now. We are going to queue people in the tunnel before they get to that point to go which way they want to go. They will not get into this cul-de-sac. They will go either north, south before they get out of the tunnel. So this whole mess that is there now would be eliminated. You don't know -- before you get out of the tunnel which way you are headed and you

go right that way. We would avoid that entire intersection.

CHAIRMAN HORSLEY:

That's interesting.

D.P.O. VILORIA-FISHER:

Thank you.

CHAIRMAN HORSLEY:

Thank you very much, Legislator. Just quickly in summation. Now I understand that your chief financing mechanism was through Bear Stearns. What happens now that they have had their issues?

MR. VINCENT POLIMENI:

It was through Bear Stearns. We are now getting --

CHAIRMAN HORSLEY:

Was through? Is that the answer?

MR. VINCENT POLIMENI:

Past tense. Mathematically, as you can see, this project is extremely profitable. Of course I'm sure we'll get watered down before it gets done, I know that, but even with that, with 80,000 cars a day with \$25 and trucks it works mathematically. So we are now dealing with J.P. Morgan, JPMG. They sought us. So it's a very doable project financially. Not a problem.

CHAIRMAN HORSLEY:

Not a problem.

MR. VINCENT POLIMENI:

No.

CHAIRMAN HORSLEY:

Okay. I see where you have been over in Romania and Poland. See, I read up on you, I got the book.

MR. VINCENT POLIMENI:

You got the book.

CHAIRMAN HORSLEY:

Romania and Poland and you are going to the Ukraine, that should be interesting after Georgia, and the like. Why aren't you on the 110 corridor?

MR. VINCENT POLIMENI:

We are, actually. In that book we are developing, not the 110 corridor, but we are doing the Winston.

CHAIRMAN HORSLEY:

And when we need office buildings on the southern portion of the 110, Just keep that in mind.

MR. VINCENT POLIMENI:

That approval process I mentioned before could be one of the reasons.

CHAIRMAN HORSLEY:

No, I think they'd be very open to something like that, but that's another issue and I don't want to get into that at this point anyway. Are there any further questions? Gentlemen, is there anything else you would like to say?

MR. HALPIN:

If I could just first of all thank you for this opportunity. We have done a lot of these meetings and from each one we get more thoughtful as to how we can continue to refine and improve this proposal. The thought I want to leave you with is a simple one, which is that the engineering, as you can see, works. This is a very doable project. This is not pie in the sky. The environmental benefits are real and the adverse environmental consequences are minimal. Any economics of this project work.

As a region, as a state, the real question is are we capable of embracing projects like this again. New York has always been a state that has led the way, especially when it comes to transportation and infrastructure. I think it is one of the great strengths of being in New York and, you know, we have a lot of history to point to, starting with things like the Erie Canal.

That said, this is an opportunity, and from a public policy standpoint, there's no reason in my mind why people in this region should look at this and say this makes sense, let's go to the next steps and see whether or not the benefits as articulated can be proven. I ask you as a committee to perhaps consider alerting the Governor and others, because obviously the State of New York is going to be a key partner in this, that this is something that deserves serious consideration. Thank you.

CHAIRMAN HORSLEY:

Thank you. Gentlemen, anything else you would like to add?

MR. LAWRENCE:

Just one final point. If you need any more information we do have a website which is CrossSoundLink.com. Thank you.

CHAIRMAN HORSLEY:

Thank you. Appreciate it. I guess I have a motion to adjourn by you and I'll second it. Meeting adjourned.

(THE MEETING WAS ADJOURNED AT 3:46 P.M.)

{ } Denotes spelled phonetically