

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL MEETING
Wednesday, March 20, 2013**

Downtown Restoration Program – Authorization of Additional World Trade Center Contract Actions and Expenditures to Support Post-Hurricane Sandy Recovery Work

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL MEETING**

225 Park Avenue South

New York, NY

Wednesday, March 20, 2013

PRESENT:

Hon. James P. Rubin
Hon. Richard H. Bagger, *pro tem*
Hon. Rossana Rosado, *pro tem*
Committee Members

Hon. David Samson, Chairman
Hon. Scott H. Rechler, Vice-Chairman
Hon. H. Sidney Holmes III
Hon. Jeffrey H. Lynford
Hon. Jeffrey A. Moerdler
Hon. Anthony J. Sartor
Hon. William P. Schuber
Hon. David S. Steiner
Commissioners

Patrick J. Foye, Executive Director
William Baroni, Jr., Deputy Executive Director
Darrell B. Buchbinder, General Counsel

Susan M. Baer, Director, Aviation
Thomas E. Belfiore, First Deputy Chief Security Officer
Ana M. Carvajalino, Manager, Financial Forecasting, Management and Budget
Rosemary Chiricolo, Deputy Director, Management and Budget
James N. Colangelo, Manager, Financial Capital Planning, Management and Budget
Steven J. Coleman, Deputy Director, Media Relations
Harry Czinn, Senior Project Manager, Management and Budget
Jo-Ann Dalessio, Senior Executive Secretary, Office of the Chief Financial Officer
Stephanie E. Dawson, Acting Chief Operating Officer
Gerard A. Del Tufo, Assistant Director of Development and Operations, Real Estate and
Development
John C. Denise, Audio Visual Supervisor, Marketing
Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
Daniel D. Duffy, Senior Business Manager, Office of the Secretary
Joseph P. Dunne, Chief Security Officer
Michael G. Fabiano, Chief Financial Officer (By-Laws)

Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Michael B. Francois, Chief, Real Estate and Development
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
Wilfredo Guzman, Assistant Director, Capital Project Management
Linda C. Handel, Deputy Secretary
Mary Lee Hannell, Chief, Human Capital
Andrew T. Hawthorne, Director, Marketing
Anthony Hayes, Manager, Media Planning, Media Relations
Erik Horvat, Assistant Director, Development, World Trade Center Redevelopment
Howard G. Kadin, Esq., Law
Rebecca E. Karp, Senior External Relations Representative, Government and Community Relations
Kirby King, Director, Technology Services
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Richard M. Larrabee, Director, Port Commerce
John J. Liantonio, Senior External Relations Client Manager, Government and Community Affairs
Diana V. Lopez, Senior Advisor, LaGuardia Redevelopment Program, Aviation
John H. Ma, Chief of Staff to the Executive Director
Lisa MacSpadden, Director, Media Relations
Stephen Marinko, Esq., Law
Ronald Marsico, Assistant Director, Media Relations
Michael G. Massiah, Director, Management and Budget
Elizabeth M. McCarthy, Chief Financial Officer
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Camille T. Moglia, Senior Business Manager, Office of the Chief Financial Officer
Anne Marie C. Mulligan, Treasurer
Patrick B. O'Reilly, Senior Advisor to the Chairman
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary
Shane J. Robinson, Staff External Affairs Representative, Government and Community Affairs
Juan Carlos Rojas, Senior External Relations Representative, Government and Community Affairs
Cruz C. Russell, Strategic Advisor, Government and Community Affairs
John F. Ryan, Acting Chief, Public Safety
Brian W. Simon, Director, Government and Community Affairs, New York
Marios A. Socrates, Manager, Procurement Contracts, Procurement
Timothy G. Stickelman, Assistant General Counsel
Gerald B. Stoughton, Director, Financial Analysis
Robert A. Sudman, Director, Audit
Ralph Tragale, Assistant Director, Public Affairs, Aviation
David B. Tweedy, Chief, Capital Programs
I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office

Lillian D. Valenti, Director, Procurement
Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Ian R. Van Praagh, Senior Advisor, Government and Community Affairs
Philippe B. Visser, Director, World Trade Center Redevelopment
Michael Vozza, Manager, Grants Management and Program Review, Management and Budget
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
William J. Young, Senior External Relations Client Manager, Tunnels, Bridges and Terminals
Peter J. Zipf, Chief Engineer

Guests:

David W. Checketts, Chairman/CEO, Legends Hospitality, LLC
Nicole Crifo, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey
Jeanine M. Thompson, Assistant Secretary for Transportation, State of New York

Speakers:

Murray Bodin, Member of the Public
Margaret Donovan, Twin Towers Alliance
Richard Hughes, Twin Towers Alliance
Kalev Savi, Member of the Public
Paul Stipkovich, Member of the Public
Anthony Stramaglia, Member of the Public

In view of the fact that, as a result of prospective recusals, there would not be a sufficient number of Commissioners present to consider an item on the agenda at today's Board meeting, the Deputy Secretary reported that, pursuant to the By-Laws, a special meeting of the Committee on Operations was called to permit the Committee to act on the item for and on behalf of the Board.

The meeting was called to order in public session at 1:33 p.m. and ended at 2:21 p.m.

**DOWNTOWN RESTORATION PROGRAM – AUTHORIZATION OF ADDITIONAL
WORLD TRADE CENTER CONTRACT ACTIONS AND EXPENDITURES TO
SUPPORT POST-HURRICANE SANDY RECOVERY WORK**

It was recommended that the Board authorize: (1) the expenditure of an additional estimated amount of \$60.1 million for certain contract actions and expenditures expected to be required through April 30, 2013 to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, resulting in a cumulative total authorization of approximately \$185.1 million for the response, recovery and restoration efforts at the WTC site; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, Vehicular Security Center, WTC Memorial Museum, and One WTC, among other WTC projects under construction. Although the dewatering of the WTC site was substantially completed in early November, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement. Through two separate actions at its meeting of February 6, 2013, the Board ratified and authorized certain actions required for Hurricane Sandy response, recovery and restoration work at the WTC site through March 31, 2013, in a total amount of up to \$125 million.

Although comprehensive damage assessments and project impact evaluations related to Hurricane Sandy will be ongoing throughout 2013, staff is ordering various contractors to repair or replace damaged and destroyed equipment and infrastructure on all projects, including the (re)purchase of major long-lead items, such as electrical switchgear and substation equipment, vertical circulation equipment, and mechanical fans, air handling units and controls. Increases in contract amounts also are needed to provide for additional program management and other professional services to support the repair/replacement and re-installation work. To expedite recovery, most of the equipment replacement and re-installation work will be performed pursuant to the same design specifications and by the same equipment suppliers and installation contractors.

As additional project evaluations and implementation decisions are made throughout 2013, it is anticipated that there will be further requests for increases to contracts for actions that will be attributable to the effects of Hurricane Sandy, including installation costs and potential acceleration costs.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, adopted the following resolution, with Commissioners Bagger, Rosado and Rubin voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

RESOLVED, that the expenditure of an additional estimated amount of \$60.1 million for certain additional actions and commitments expected to be required through April 30, 2013, to effectuate the repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, be and it hereby is authorized, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary to facilitate the foregoing, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Deputy Secretary