

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Friday, January 4, 2008

Executive Director's Report	3
Staff Reports	3
Security Capital Program – Construction Management / General Contracting Services – Award of Contract MF-100.509	4
World Trade Center Site – WTC Retail LLC – Joint Venture Agreement with Westfield America Limited Partnership	6
Toll Increase for Vehicular Crossings – Report	7
Toll Increase for Vehicular Crossings – Resolution	9

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Friday, January 4, 2008 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor

NEW YORK

Hon. Henry R. Silverman, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. David S. Mack

Anthony E. Shorris, Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Diana E. Beecher, Chief Technology Officer
 Terry A. Benczik, Client Manager, Government and Community Affairs
 A. Paul Blanco, Chief Financial Officer
 Ernesto L. Butcher, Deputy Executive Director, Operations
 Rosemary Chiricolo, Assistant Director, Management and Budget
 Arthur J. Cifelli, Director, PABT Redevelopment Project
 Jennifer Coady, Management Associate, Human Resources
 Steven J. Coleman, Assistant Director, Media Relations, Public Affairs
 William R. DeCota, Director, Aviation
 John C. Denise, Audio Visual Supervisor, Public Affairs
 Michael P. Dombrowski, Cinematographer, Public Affairs
 John J. Drobny, Director, Project Management
 Ziomara Y. Foster, Principal Business Manager, Office of the Secretary
 Donald F. Free, Assistant Director, WTC Redevelopment, Development
 Ann E. Freedman, Principal Property Representative, Development
 Michael B. Francois, Director, Development
 William H. Goldstein, Deputy Executive Director, Capital Programs
 Linda C. Handel, Assistant Secretary
 Mary Lee Hannell, Director, Human Resources
 Alan H. Hicks, Senior Public Information Officer, Public Affairs
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Kirby King, Deputy Director, Rail Transit
 Kevin J. Kirchman, Deputy Director, Public Affairs
 Jason E. Kirin, Client Manager, Government and Community Affairs
 Louis J. LaCapra, Chief Administrative Officer
 Tina Lado, Director, Government and Community Affairs
 Richard M. Larrabee, Director, Port Commerce
 Marc LaVorgna, Assistant Director, Media Relations, Public Affairs
 Susan Bass Levin, First Deputy Executive Director
 Stephen Marinko, Attorney, Law
 Catherine M. Massab, Supervising Office Assistant, Office of the Secretary
 Michael G. Massiah, Director, Management and Budget
 Candace McAdams, Director, Media Relations, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary

Sanjay Mody, Advisor to the Chairman
Anne Marie C. Mulligan, Treasurer
Mark F. Muriello, Assistant Director, Operations Support, Tunnels, Bridges and Terminals
Tony F. Oliver, Senior Marketing Analyst, Public Affairs
Samuel J. Plumeri, Superintendent of Police/Director of Public Safety
Andrew Rachlin, Special Assistant to the Executive Director
Desiree Ramos, Executive Assistant to the First Deputy Executive Director
Richard R. Roper, Director, Planning
Stephen H. Sigmund, Chief, Public and Government Affairs
Timothy G. Stickelman, Chief of Public Securities, Law
Gerry B. Stoughton, General Manager, Forecast and Capital Plan, Management and Budget
Ralph Tragale, Client Manager, Government and Community Affairs
Lillian D. Valenti, Deputy Director, Procurement
Peter J. Zipf, Director of Engineering, Deputy Chief Engineer

Guest:

Sonia Frontera, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 11:01 a.m. and ended at 11:22 a.m. The Board met in executive session prior to the public session.

Executive Director's Report

The Executive Director provided a status report on various projects and accomplishments since the Board's last meeting.

Staff Reports

Presentations were made by staff on:

- 1) World Trade Center Update; and
- 2) Tolls and Fare Structure Proposal.

SECURITY CAPITAL PROGRAM – CONSTRUCTION MANAGEMENT / GENERAL CONTRACTING SERVICES – AWARD OF CONTRACT MF-100.509

It was recommended that the Board authorize the Executive Director to award Contract MF-100.509 to Tishman Technologies Corporation (Tishman) for construction management and general contracting services (CM/GC) for the Security Capital and Operating Programs, at an estimated amount of \$103 million. The estimated total contract cost includes estimated construction costs of \$93 million and construction management services/fees of approximately \$10 million.

In April 2005, the Executive Director authorized the award of Contract MF-100.506 for CM/GC services for various security-related projects included in the Port Authority's 2003-2007 Capital Plan. This was followed in November 2006 by the award of Contract MF-100.507 for additional CM/GC services for the 2003-2007 Security Capital Program and a July 2007 funding increase for Contract MF-100.507 related to certain Port Authority Trans-Hudson rail system (PATH) infrastructure security projects included in the 2007-2016 Ten-Year Capital Plan.

As of December 2007, the total authorized funding under these contracts of \$183.4 million has been fully allocated to the construction of identified projects. In order to continue the timely execution of security projects included in the Updated 2007-2016 Ten-Year Capital Plan, as well as certain Port Authority Police operating projects, a third CM/GC contract is needed.

The award of Contract MF-100.509 would facilitate the implementation of contract packages for the Security Capital Program and other Port Authority initiatives.

The proposed CM/GC contract was procured through a publicly advertised Request for Qualifications process. Six firms were prequalified to submit a bid for Contract MF-100.509. Four firms submitted bids on November 7, 2007, with Tishman being the low bidder.

Work anticipated to be performed under the proposed contract would include asset/perimeter strengthening through various means, including structural improvements, the installation of fencing, gates, barriers and vehicular control measures, access control/alarm monitoring, closed-circuit television, radio communication systems, and the integration of new systems with existing systems at Port Authority/PATH facilities.

A portion of the subcontract packages to be issued under the proposed contract will contain confidential/sensitive information, and would be protected from public disclosure as such.

The proposed contract allows for issuance of work orders for a period of two years after the date of contract award. Funding under this authorization is expected to be fully committed by 2010.

The CM/GC firm would help develop construction strategies and phasing plans, review design documents, perform cost estimating and develop work schedules. It would solicit sealed bids from at least three subcontractors for subcontract packages, award work to the lowest

responsible bidder, coordinate/supervise construction and be responsible for timely completion. Work would be inspected by Port Authority staff.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Coscia, Mack, Pocino and Silverman voting in favor; none against; Commissioner Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract MF-100.509 to Tishman Technologies Corporation to provide for the procurement, administration and performance of subcontractors for the execution of Security Capital and Operating Programs subcontract packages, at an estimated amount of \$103 million; and it is further

RESOLVED, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER SITE – WTC RETAIL LLC – JOINT VENTURE AGREEMENT WITH WESTFIELD AMERICA LIMITED PARTNERSHIP

It was recommended that the Board authorize WTC Retail LLC (WTC Retail), a wholly owned entity of the Port Authority, to enter into agreements with Westfield America Limited Partnership (Westfield) establishing a joint venture (Joint Venture) between WTC Retail and Westfield for the development, leasing and management of the retail components of the World Trade Center (WTC) site and related agreements. It was recommended further that the Executive Director of the Port Authority be authorized to enter into an amended and restated net lease with the Joint Venture for the retail components of the WTC site.

The newly formed Joint Venture would enter into a separate, concurrent management agreement with Westfield or an affiliated entity, pursuant to which Westfield would be responsible for overseeing the leasing and management of the WTC retail development. In addition, the Joint Venture would enter into an amended and restated net lease with the Port Authority. Under the amended and restated net lease, the Joint Venture would be obligated to pay all costs of development, operation and maintenance of the WTC retail development, with the costs to be funded by contributions from the members of the Joint Venture.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Coscia, Mack, Pocino, Sartor and Silverman voting in favor; none against:

RESOLVED, that WTC Retail LLC (WTC Retail) be and it hereby is authorized to enter into: (1) agreements with Westfield America Limited Partnership (Westfield) establishing a joint venture (Joint Venture) between WTC Retail and Westfield for the development, leasing and management of the retail components of the World Trade Center (WTC) site, and providing for Westfield or an affiliated entity to oversee the leasing and management of the WTC retail development on behalf of the Joint Venture; and (2) an assignment of the net lease for the WTC retail components to the Joint Venture; and to take any and all action to effectuate the redevelopment of the retail components of the WTC site, consistent with the report to the Board, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and documents as may be necessary in connection with the redevelopment of the retail components of the WTC site; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an amended and restated net lease with the Joint Venture which would require the Joint Venture to be responsible for all costs of development, operation, and maintenance of the retail components of the WTC site net leased to the Joint Venture; and it is further

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

TOLL INCREASE FOR VEHICULAR CROSSINGS – REPORT

As more fully described in the report to the Board on November 15, 2007 (appearing at pages 324 *et seq.* of the Official Minutes of that date), there is a critical need to address traffic congestion in the New York-New Jersey region, and to maintain and renew the bridge and tunnel infrastructure of the Port Authority's Interstate Transportation Network (Network). Toll rates have been proposed which are intended to encourage motorists to travel during off-peak hours; provide incentives to use mass transit, environmentally sound vehicles, and the E-ZPass[®] electronic toll collection system; and to provide funds, when combined with other Port Authority revenues, to carry out a projected capital program pertaining to the Network and other facilities.

Despite substantial efforts both to reduce expenditures at Port Authority facilities and to maximize revenues from non-bridge and tunnel operations, an upward adjustment of tolls is needed to maintain the Network and limit financial support to the Network from other revenue sources. Included in the Port Authority's Updated 2007-2016 Capital Plan are extensive projects to protect the critical interstate crossings infrastructure at the George Washington Bridge, the Lincoln Tunnel, the Holland Tunnel, and the Staten Island Bridges, to build a new rail tunnel under the Hudson River, to modernize and increase the capacity of the Port Authority Bus Terminal and on the Port Authority Trans-Hudson (PATH) rail transit system with a new fleet of PATH cars, improved (and lengthened) stations, lighting, communications systems, and a new signal system. The Network is an aging system with many facilities now being pressed to their capacity during peak commuting hours, so that the system faces dual pressures of maintenance and the essential need for major rehabilitation and improvements to continue safe, reliable operations.

Following careful review of the proposed adjustment in the rates of tolls charged for use of the Port Authority's vehicular crossings presented to the Board on November 15, 2007, and following review of the testimony and comments received from public officials, private citizens and interested organizations at the public hearings held in both States on each of December 6th, 13th, and 18th in 2007, and on the Internet on December 17th, 2007, and for the public hearing record on the proposed tolls adjustments, it is now recommended that toll increases, with certain modifications from those proposed in November, be implemented.

By legislation adopted in both New York and New Jersey, the Port Authority is authorized to establish, levy and collect such tolls and other charges sufficient to meet expenses of construction, operation and maintenance, as well as debt service on obligations, in connection with its Network vehicular bridges and tunnels as it may deem necessary, proper or desirable. Furthermore, the two States have pledged that they will not impair the power of the Port Authority to establish, levy, and collect rentals, tolls, fares, fees, or other charges on facilities whose revenues have been pledged as security for outstanding bonds. In addition, the Port Authority has agreed with the holders of its Consolidated Bonds to establish and collect fees, rents, tolls, fares and other charges to produce sufficient net revenues to provide for debt service on such bonds. Consistent with these statutory provisions and in effectuation of the Port Authority's obligations to and for the benefit of the holders of its bonds, and to avoid sharp and dramatic increases in tolls and ensure a reasonable and secure rate of revenue growth in support of the Capital Plan, the tolls being adopted at today's meeting are to be indexed for inflation.

To the extent that the Port Authority's tolls schedule provides for the payment of tolls in cash, as well as through other methods, adjustments to the tolls schedule to take account of annual Consumer Price Index (CPI) increases will be implemented in the future when the cumulative increase in the monthly CPI average calculated in each of the years subsequent to the year in which such tolls were last adjusted, including the most recent annual CPI increase, would, when applied to the current Class 1 E-ZPass[®] peak hour tolls, result in an adjustment of at least \$1.00 above the then-current Class 1 E-ZPass[®] peak hour tolls. At that time, (i) E-ZPass[®] peak hour tolls for Classes 1 through 7 and 11 and all cash tolls shall be increased by \$1.00 or integral multiples thereof (to the extent applicable, based upon cumulative annual CPI increases) from the then current tolls, with peak hour and cash toll rates for Classes 2 through 6 being maintained at their current proportions to the Class 1 E-ZPass[®] peak hour tolls; (ii) the Staten Island Bridges Plan tolls shall be adjusted to maintain a 50% differential from the Class 1 E-ZPass[®] peak hour tolls, as adjusted; and (iii) all other tolls shall be adjusted by the cumulative increase in the monthly CPI average calculated in each of the years subsequent to the year in which such tolls were last adjusted, including the most recent annual CPI increase; however, to the extent that the Port Authority's tolls schedule does not provide for the payment of tolls in cash, all tolls shall be adjusted to take account of each annual CPI increase calculated as set forth above, except the Staten Island Bridges Plan tolls, which shall continue to be adjusted on the basis set forth above. It is anticipated that, as soon as reasonably practical each year after publication of the CPI for December, the Port Authority will determine the annual CPI increase and, subject to the foregoing, adjust the then-current tolls schedule to take account of that change.

At its meeting today, Port Authority Trans-Hudson Corporation's Board of Directors is also considering a change in the fare structure for PATH.

TOLL INCREASE FOR VEHICULAR CROSSINGS – RESOLUTION

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Coscia, Mack, Pocino, Sartor and Silverman voting in favor; none against:

RESOLVED, that the resolution of the Board of Commissioners establishing tolls for use of Port Authority vehicular crossings, adopted on January 25, 2001, shall be and the same hereby is rescinded; and it is further

RESOLVED, that for the purpose of establishing, levying and collecting tolls for the use of vehicular crossings, vehicles shall be classified as follows:

Class 1: Two-axle vehicles with single rear wheels including passenger automobiles, mini vans, ambulances, hearses, taxis, passenger vehicles for hire, cargo vans, passenger vans with capacity for less than 10 persons, light trucks, and recreation vehicles unless they form parts of combinations included in Class 7.

Class 2: Vehicles with two axles and dual rear wheels, except buses, unless such vehicles form parts of combinations included in Classes 3, 4, 5 and 6.

Class 3: Vehicles or combinations of vehicles with three axles, except buses, unless they form parts of combinations included in Classes 4, 5, 6 and 7.

Class 4: Vehicles or combinations of vehicles with four axles, except buses, unless they form parts of combinations included in Classes 5, 6 and 7.

Class 5: Vehicles or combinations of vehicles with five axles unless they form parts of combinations included in Classes 6 and 7.

Class 6: Vehicles or combinations of vehicles with at least six axles.

Class 7: Any Class 1 or Class 11 vehicle with trailer (the combination having three or more axles), and recreation vehicles with three or more single-wheel axles.

Class 8: Buses, minibuses and vans having two axles with capacity for 10 or more persons.

Class 9: Buses, minibuses and vans having three or more axles with capacity for 10 or more persons.

Class 11: Motorcycles, with or without side-cars, unless such motorcycles form parts or combinations included in Class 7, and it is further;

RESOLVED, that effective March 2, 2008, at 3:00 AM, the tolls set forth in the attached Tolls Schedule shall be charged per New York-bound trip, no tolls to be collected for New Jersey-bound passage for the use of vehicular crossings; and it is further

RESOLVED, that a discount from the cash toll shall be available for E-ZPass[®] users which will vary depending on the facility, the time of day, and the day of week traveled, including holidays. For all vehicle classes the “peak hours” is weekdays from 6AM to 9AM and 4PM to 7PM, and weekends from 12 Noon to 8PM. The “off peak hours” is all other times, except the “overnight hours” for classes 2, 3, 4, 5 and 6, which is from 12 Midnight to 6AM on weekdays. On the following holidays the off-peak rate will be in effect at all hours for all classes of vehicles: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day; and it is further

RESOLVED, that a Carpool Plan toll rate shall be available for enrolled E-ZPass[®] users in Class 1 or Class 11 vehicles with three or more persons, subject to procedures adopted by the Executive Director, as provided in the attached Tolls Schedule; and it is further

RESOLVED, that the Port Authority Staten Island Bridges Plan available for enrolled E-ZPass[®] users is continued as provided in the attached Tolls Schedule; and it is further

RESOLVED, that a GreenPass Plan toll rate shall be available for enrolled E-ZPass[®] users in certain pre-registered qualifying vehicles displaying a specially-issued E-ZPass[®] tag, which may vary depending on the time of day and the day of week traveled, including holidays, subject to procedures adopted by the Executive Director as provided in the attached Tolls Schedule; and it is further

RESOLVED, that the Executive Director, at his discretion, be and he hereby is authorized to adjust the peak hours, off-peak hours and overnight hours for tolls, and other terms and conditions for E-ZPass[®] users, and the Staten Island Bridges Plan, the Carpool Plan, the GreenPass Plan, and to select any successor inflation index to the Consumer Price Index (CPI) as may be published by the United States Government for use in connection with the annual calculations and periodic changes in tolls as described in the report before the Board, and to fix the period for such changes, with a report of such adjustments to be filed with the Board no less than ten days before such adjustments are to become effective; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, at his discretion, to set terms and conditions governing the collection of tolls by the use of E-ZPass[®] or other Electronic Toll Collection systems and to take all necessary action in connection with the implementation of any such system; and it is further

RESOLVED, that, consistent with the applicable statutory provisions and in effectuation of the Port Authority's obligations to and for the benefit of the holders of its bonds, the Executive Director be, and he hereby is, authorized and directed to implement changes in the tolls as reflected in the attached Tolls Schedule (as the same is adjusted from time to time), calculated in accordance with annual increases in the CPI, as more fully described in the report before the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, at his discretion, to modify the Traffic Rules and Regulations for vehicular crossings, including vehicular length, width, height, and size limitations, speed limits, stopping, standing and parking regulations, and the Port Authority Hazardous Materials Transport Regulations for vehicular crossings, with a report on any such modifications to be filed with the Board no less than ten days before they are to become effective; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to review and set periodically toll rates, in the New York-bound or New Jersey-bound direction or both, for "specials" and the fees for special inspections, facility closures or special uses, and/or escort services; "specials" are any vehicles, animals, or combinations of vehicles that:

- (1) exceed established limitations for length, width, height, or weight at Port Authority bridges and tunnels; and/or
- (2) require special handling, inspections, and/or escorts due to either their unique construction and/or design, type of cargo, speed, maneuverability, or other unusual operating characteristics or features, such as, but not limited to: operating characteristics or features associated with certain types of construction equipment, tracked vehicles, articulated vehicles, floats, animals ridden, led or herded, or animal-drawn vehicles, and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to make any selection, designation, determination, or estimate, to formulate and express any opinions, to exercise any discretion or judgment, and to take all action necessary or appropriate or which may be or is required to be made, taken, formulated, expressed, or exercised to implement the provisions of this resolution.

Tolls Schedule
As of March 2, 2008

CLASS	VEHICLE TYPE	# OF AXLES	E-ZPass® Off-Peak Hours	E-ZPass® Peak Hours	E-ZPass® Trucks Weekday Overnight Hours	Cash Toll All Hours
1	VEHICLES WITH TWO AXLES AND SINGLE REAR WHEELS (includes two-axle recreational vehicles with single rear wheels and no add'l axles in tow)	2	\$6.00	\$8.00	N/A	\$8.00
2	VEHICLES WITH TWO AXLES AND DUAL REAR WHEELS (includes two-axle recreational vehicles with dual rear wheels)	2	\$14.00	\$16.00	\$11.00	\$16.00
3	VEHICLES WITH THREE AXLES (or combinations of vehicles totaling three axles)	3	\$21.00	\$24.00	\$16.50	\$24.00
4	VEHICLES WITH FOUR AXLES (or combination of vehicles totaling four axles)	4	\$28.00	\$32.00	\$22.00	\$32.00
5	VEHICLES WITH FIVE AXLES (or combinations of vehicles totaling five axles)	5	\$35.00	\$40.00	\$27.50	\$40.00
6	VEHICLES WITH AT LEAST SIX AXLES (or combinations of vehicles totaling at least six axles)	6	\$42.00	\$48.00	\$33.00	\$48.00
		Axles in excess of 6	\$ 7.00 each	\$ 8.00 each	\$ 5.50 each	\$ 8.00 each
7	CLASS 1 OR 11 WITH TRAILER AND RECREATIONAL VEHICLES (minimum three single-wheel axles)	3	\$11.00	\$13.00	N/A	\$13.00
		Axles in excess of 3	\$ 5.00 each	\$ 5.00 each	N/A	\$ 5.00 each
8	TWO AXLE BUSES AND MINI BUSES	2	\$4.00	\$4.00	N/A	\$6.00
9	THREE AXLE BUSES AND MINI BUSES	3 & Up	\$4.00	\$4.00	N/A	\$6.00

11	MOTORCYCLE	2	\$5.00	\$7.00	N/A	\$7.00
	CARPOOL PLAN*	2	\$2.00	\$2.00	N/A	N/A
	PORT AUTHORITY STATEN ISLAND BRIDGES PLAN**		\$4.00**	\$4.00**	N/A	N/A
	GREENPass***	2	\$4.00	***	N/A	N/A

* The Carpool Plan is available to enrolled E-ZPass[®] customers in Class 1 or Class 11 vehicles with three or more persons.

** The Port Authority Staten Island Bridges Plan, \$80 for 20 trips in a 35-day period at the Goethals and Bayonne Bridges and Outerbridge Crossing, is available to all enrolled E-ZPass[®] customers with non-commercial plates. The present cost of each trip is \$4.00; unused trips will be billed to the account.

*** The GREENPass plan is available to all enrolled E-ZPass[®] customers with certain eligible low-emissions Class 1 vehicles. Eligible low emissions vehicles will be designated from time to time. The GREENPass plan discount is not applicable during peak hours.

Whereupon, the meeting was adjourned.

Secretary