

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
**MEETING OF THE BOARD OF COMMISSIONERS AND BOARD COMMITTEE**  
**MEETINGS – THURSDAY, FEBRUARY 18, 2016**

The following is an updated agenda and related materials as of Thursday, February 18, for the February 18, 2016 Meetings of the Board of Commissioners and Board Committees of The Port Authority of New York and New Jersey and its subsidiaries to be held at 4 World Trade Center, 150 Greenwich, NY, NY 10007.

Meeting attendees are required to go through a security screening upon entering the building. Attendees are encouraged to arrive early. Security screening will begin at 9:30 a.m.

**Executive Session Committee Meetings – 9:00 a.m. (Agenda Review Room)**

**Committee on Capital Planning, Execution and Asset Management**

*The Committee on Capital Planning, Execution and Asset Management will meet in executive session to discuss matters related to the purchase, sale, or lease of real property where disclosure would affect the value thereof or the public interest, and matters involving ongoing negotiations or reviews of contracts or proposals.*

**Committee on Finance**

*The Committee on Finance will meet in executive session to discuss matters involving ongoing negotiations or reviews of contracts or proposals.*

**Committee on Security**

*The Committee on Security will meet in executive session to discuss matters involving public safety or law enforcement.*

**Public Session Committee Meetings – 10:30 a.m. (Board Room)**

**Committee on Operations**

- ◆ The Teleport – Amendment of Lease with The City of New York Gerard Del Tufo
- ◆ Quarterly Overtime Update Stephanie Dawson

**Committee on Capital Planning, Execution and Asset Management**

- ◆ LaGuardia Airport – Authorization to Implement Certain Actions in Support of the New LaGuardia Airport Redevelopment Program
- ◆ PATH – Replacement of Exchange Place Station Escalators – Project Clarelle DeGraffe
- ◆ PATH – Extension of C-Yard – Project Clarelle DeGraffe

**Board Meeting – 11:00 a.m. (estimated) (Board Room)**

Patrick Foye

- ◆ Report of Executive Director
- ◆ Speakers Program\*
- ◆ Staff Recognition - Storm
- ◆ LaGuardia Airport – Authorization to Implement Certain Actions in Support of the New LaGuardia Airport Redevelopment Program
- ◆ Resolution Approvals

**Executive Session Meeting – All Commissioners**

*The Board of Commissioners will also meet in executive session immediately following the public Board meeting to discuss matters related to personnel and personnel procedures, matters rendered confidential, privileged, or private by federal or state law or regulations or rules or decisions of court, matters involving ongoing negotiations or reviews of contracts or proposals, and matters involving external or internal investigations or audits, and to discuss and act upon matters involving public safety or law enforcement.*

**For more information, contact the Office of the Secretary at (212) 435-6682 or (212) 435-3712.**

*Media Only: (212) 435-7777*

***SUBJECT TO CHANGE***

\* Members of the public wishing to address the Board on Port Authority-related matters may do so at its public Board Meeting. Individuals who wish to address the Board at its public Board Meeting should register by completing and submitting a registration form, which is located in the Speakers Registration section of the Port Authority Website, by 9:30 a.m. on Thursday, February 18, 2016. Speakers are limited to three minutes each, and speaking time may not be transferred. The use of audio visual equipment is not permitted. The public comment period may be limited to 30 minutes. Appropriate photo identification is required.

## **Summaries of Proposed Actions and form of Proposed Resolutions to be Considered by the Board at its February 18, 2016 Meeting\***

1. Port Authority Bus Terminal – Big Bowl, LLC d/b/a Frames Bowling Lounge NYC – New Lease LBT-742
2. The Teleport – Amendment of Lease with The City of New York to Surrender Site A, Lot 120 and Agreement to Share Proceeds from Sale to Developer
3. Newark Liberty International Airport - Terminal B – Replacement of Corridor Doors and Operational Modifications – Project Authorization
4. John F. Kennedy International Airport – Rehabilitation of Taxiway Q, QG, and Adjacent Section of Restricted Vehicle Service Road – Project Authorization
5. PATH – Exchange Place Station – Replacement of Escalators – Project Authorization
6. PATH – Extension of Railcar Maintenance and Storage Yard - Project Authorization
7. New York Construction Pre-Apprenticeship Training Program – Participation Agreements
8. LaGuardia Airport – Authorization to Implement Certain Actions in Support of the New LaGuardia Airport Redevelopment Program

\* The Board is also expected to take action in executive session with regard to matters involving public safety or law enforcement.

(Board – 2/18/16)

**1. Port Authority Bus Terminal – Big Bowl, LLC d/b/a Frames Bowling Lounge NYC – New Lease LBT-742**

**Request:**

- *This item authorizes a new 10-year lease (Lease) with Big Bowl, LLC d/b/a Frames Bowling Lounge NYC (Frames) for the continued occupancy of retail space at the Port Authority Bus Terminal (PABT), for the operation of a bowling alley and lounge at a total aggregate rental of approximately \$16.3 million, including base and index rent.*

**Transaction Details:**

- *The proposed Lease would commence May 1, 2016 for a 10-year term with two, two-year options.*
- *The proposed leasehold consists of 34,500 square feet on the second floor of the South Wing, 1,900 square feet on the lower level of the South Wing and 500 square feet of storage space.*
- *Frames currently occupies certain additional space on the lower level of the South Wing, which will be surrendered under the terms of the new Lease and marketed to other prospective tenants.*
- *The Port Authority would continue to have the right to terminate the Lease, without cause, on 30 days' notice.*
- *The Port Authority's retail broker at the PABT, Cushman & Wakefield (C&W), conducted extensive marketing and analysis for the subject space and determined that given the size, configuration and condition of the space, it was in the best interest of the Port Authority to negotiate a lease with the existing tenant.*

**Background:**

- *In March 1990, the Board authorized a lease with Leisure Time Recreation, Inc. for the operation of a bowling alley and restaurant at the PABT. In November 2002, the Board authorized an assignment of the lease to Frames, as well as a supplement amending the assigned lease to provide for increased rental over the remaining term of approximately 14 years and an option to extend the lease for an additional seven years, through April 2023.*
- *The proposed Lease provides for the continued letting of the single largest retail space at the PABT, while maintaining the related revenue stream for a 10-year term, and is cancellable on 30 days notice without cause.*
- *C&W will not receive a commission on the proposed Lease, as negotiations were underway with Frames at the time it was retained as the PABT retail broker.*

**PORT AUTHORITY BUS TERMINAL – BIG BOWL, LLC D/B/A FRAMES BOWLING LOUNGE NYC – LEASE LBT-742 – NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with Big Bowl, LLC d/b/a Frames Bowling Lounge NYC (Frames), for the letting of approximately 34,500 square feet of retail space on the second floor, 1,900 square feet of retail space on the first floor, and 500 square feet of associated storage space in the South Wing of the Port Authority Bus Terminal (PABT) for a term of ten years, for Frames' continued operation of a bowling alley and restaurant. The lease also includes two, two-year extension options.

Frames has been a tenant at the PABT since 2003 under Lease LBT-521, which is due to expire on April 30, 2016. Frames would surrender approximately 4,500 square feet of rough space on the ground floor under its current lease.

The term of the new lease would commence on or about May 1, 2016. Over the term of the lease, the Port Authority would receive a total aggregate rental of approximately \$16.3 million. In addition, Frames would pay percentage rental of gross receipts above specific thresholds. Frames would be responsible for all operational, maintenance and repair costs associated with the leased premises. The Port Authority would have the right to terminate the lease, without cause, upon 30 days' notice.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with Big Bowl, LLC d/b/a Frames Bowling Lounge NYC, for its continued occupancy of approximately 34,500 square feet of retail space on the second floor, 1,900 square feet of retail space on the first floor, and 500 square feet of storage space in the South Wing of the Port Authority Bus Terminal for a term of ten years, with two, two-year option periods, substantially in accordance 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 enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; 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.

(Board – 2/18/16)

**2. *The Teleport – Amendment of Lease with The City of New York to Surrender Site A, Lot 120 and Agreement to Share Proceeds from Sale to Developer***

***Request:***

- *This item authorizes: 1) an amendment to the existing lease with The City of New York (City) to provide for the surrender of Site A, Lot 120 (the “Parcel”) on The Teleport’s leasehold for the purpose of a sale to a developer, The Nicotra Group, LLC (Nicotra); and 2) an agreement with New York City Economic Development Corporation (NYCEDC) to divide evenly the \$3.6 million in proceeds of the sale between the Port Authority and NYCEDC, consistent with the existing revenue sharing provisions with NYCEDC concerning the Teleport Lease.*

***Transaction Details:***

- *To effectuate the sale of the property, the Parcel would be surrendered from the leasehold and sold to Nicotra for \$3.6 million.*
- *The Port Authority and NYCEDC would divide the sale proceeds evenly.*
- *The proposed transaction is contingent on the completion of an Uniform Land Use Review Procedure (ULURP) and positive determination with respect to Nicotra’s intended use.*

***Background:***

- *The Port Authority leases the Teleport facility from the City. This lease expires in 2024. The facility is improved with five buildings totaling approximately 700,000 square feet, consisting of data centers and support operations, commercial office space and educational facilities.*
- *Pursuant to a Request for Expression of Interest (RFEI), the Port Authority and NYCEDC jointly designated The Nicotra Group, LLC (Nicotra), as the developer for the Parcel, which is approximately 9 acres.*
- *Nicotra would purchase the Parcel and improve it with an office and medical building.*
- *At its February 2015 meeting, the Board endorsed the recommendations of the Governors of the States of New York and New Jersey’s Special Panel on the Future of the Port Authority to phase out real estate ownership and development as an element of the Port Authority’s mission by divesting and monetizing commercial real estate holdings not necessary to the Port Authority’s core mission. The proposed transaction is in furtherance of the direction provided by the Board.*

**THE TELEPORT – AMENDMENT OF LEASE WITH THE CITY OF NEW YORK TO SURRENDER SITE A, LOT 120, AND AGREEMENT TO SHARE PROCEEDS FROM SALE TO DEVELOPER**

It was recommended that the Board authorize the Executive Director to enter into: (1) an amendment of the Port Authority’s lease (Lease) with The City of New York (City) at The Teleport to provide for the surrender of a portion of the leasehold, Site A, Lot 120 (Parcel), for the purpose of a sale of the Parcel to a developer, The Nicotra Group, LLC (Nicotra); and (2) an agreement with New York City Economic Development Corporation (NYCEDC) to divide the proceeds of the sale evenly between the Port Authority and NYCEDC.

In 1978, in recognition of the loss of manufacturing jobs and plants in the Port District and its serious negative impact on the regional economy, the Port Authority was authorized by the States of New York and New Jersey to undertake a program of industrial development. In furtherance thereof, the Port Authority in June 1984 entered into the Lease for the development of The Teleport in Staten Island, NY. The Lease is administered by NYCEDC on behalf of the City. The facility is improved with five buildings totaling approximately 700,000 square feet, consisting of data centers and support operations, commercial office space and educational facilities.

In furtherance of the Port Authority’s initiative to pursue options to dispose of non-core real estate assets, the Port Authority and NYCEDC jointly issued a Request for Expressions of Interest seeking third-party interest in the Port Authority’s leasehold, or portions thereof, at The Teleport. The most viable response came from Nicotra. Nicotra, which currently leases approximately 280,000 square feet of space in two buildings at The Teleport, is seeking to expand its facilities in the area and to purchase the Parcel, which covers approximately nine acres, and improve it with an office and medical building. To effectuate the sale of the property, the Parcel would be surrendered from the leasehold and, following a sale by the City to NYCEDC, sold by NYCEDC to Nicotra for \$3.6 million. The Port Authority and NYCEDC would divide the sale proceeds evenly.

The lease amendment and sale would be contingent upon, and would take place after, a successful Uniform Land Use Review Procedure (ULURP) and the fulfillment of several other conditions. The sale must take place by year-end 2017 unless otherwise extended by the Port Authority and NYCEDC.

Pursuant to the foregoing report, the following resolution was adopted.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) an amendment of the Port Authority’s lease with The City of New York at The Teleport to provide for the surrender of a portion of the leasehold, Site A, Lot 120, for the purpose of a sale to a developer, The Nicotra Group, LLC; and (2) an agreement with New York City Economic Development Corporation (NYCEDC) to divide the proceeds of the sale evenly between the Port Authority and NYCEDC, substantially in accordance 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 enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

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

(Board – 2/18/16)

### **3. Newark Liberty International Airport - Terminal B - Replacement of Corridor Doors and Operational Modifications – Project Authorization**

#### **Request:**

- *This item authorizes a project at a total estimated cost of \$9.1 million for Terminal B replacement of sterile corridor doors and other operational modifications at Newark Liberty International Airport (EWR).*

#### **Transaction Detail:**

- *The project would provide for the replacement of security doors in the B2 satellite sterile corridor, installation of an Automated Passport Control (APC) system, and modifications to the Interline Recheck Area.*
- *This project would be implemented under three separate contracts. Construction will be coordinated with Airport stakeholders to minimize impacts to terminal operations.*

#### **Background:**

- *The proposed project contains the following three separate elements:*
- *Terminal B – Satellite B2 Sterile Corridor Glass Door Replacement: The Satellite B2 sterile corridor serves as a secure area for passengers during boarding and arrival operations. Its sterile corridor security doors prevent the mixing of departing and arriving passengers. The security doors, which were installed in the mid 1990's, have exceeded their design life and require replacement to maintain a state of good repair.*
- *Terminal B – Installation of Automated Passport Control System: US Customs and Border Protection (CBP) has developed an Automated Passport Control (APC) program to process eligible international travelers for entry into the United States via self-service kiosks. Senior CBP officials have requested that EWR install these kiosks to improve operational efficiency. APC kiosks are currently operational at EWR Terminal C and at JFK. This project would repurpose six existing CBP inspection booths to provide infrastructure for the APC system, install 30 APC kiosks, and modify wayfinding signs.*
- *Terminal B - Interline Area and Baggage Services Modifications: Upon exiting the Customs Area, passengers with connecting flights proceed to the Interline Recheck Area to recheck luggage in a Baggage Services Area. At peak times, passenger volumes in the Interline Recheck Area and Federal Inspection Services (FIS) Area exit corridor exceed their capacity, resulting in overflow into adjacent areas and associated bottlenecks. This project phase would relocate existing walls and related infrastructure to provide additional space for passenger queuing and baggage handling.*

**NEWARK LIBERTY INTERNATIONAL AIRPORT - TERMINAL B REPLACEMENT OF CORRIDOR DOORS AND OPERATIONAL MODIFICATIONS – PROJECT AUTHORIZATION**

It was recommended that the Board authorize a project for the replacement of security doors in the B2 satellite sterile corridor to maintain a state of good repair, and implement certain operational modifications to enhance the efficiency of processing of international passengers in Terminal B at Newark Liberty International Airport (EWR), at an estimated total project cost of \$9.1 million.

The proposed project is composed of three elements, as described below, which, collectively, would maintain a state of good repair and provide for efficiencies in the secure flow of international travelers at Terminal B.

Satellite B2 Sterile Corridor Security Door Replacement

The Satellite B2 sterile corridor serves as a secure area during boarding and arrival operations, which includes security doors to prevent the mixing of departing and arriving passengers. The 15 security doors, which were installed in the mid-1990s, have exceeded their design life and require replacement, in order to maintain a state of good repair and to maintain a reliable and secure system for processing passengers during boarding and arrival operations. The total estimated construction cost of this element of the project is \$1.9 million.

Installation of Automated Passport Control System

U.S. Customs and Border Protection (CBP) has requested that staff install automated passport control kiosks in the Federal Inspection Services area in Terminal B, to process eligible pre-vetted international travelers for entry into the United States. To accommodate the CBP request, the Port Authority would repurpose six existing CBP inspection booths and install 30 automated passport control kiosks and associated infrastructure and wayfinding signage. The completion of this work would streamline and expedite the secure entry of eligible international passengers into the United States, while increasing passenger throughput. The total estimated construction cost of this element is \$3.02 million.

Interline Area and Baggage Services Area Modifications

Currently, upon exiting the customs area, international passengers with connecting flights proceed to an Interline Recheck Area to process their luggage. At peak times, passenger volumes exceed capacity at this location, resulting in overflow into adjacent areas. To address the congestion issues, the modification to the Interline Recheck Area would increase passenger queuing capacity, minimize queuing times, and provide an expanded baggage staging area, at a total estimated construction cost of \$940,000.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that a project for the replacement of security doors in the B2 satellite sterile corridor, the installation of an Automated Passport Control system in the Federal Inspection Services Area, and modifications to the Interline Recheck Area, all at

Terminal B at Newark Liberty International Airport, at an estimated total project cost of \$9.1 million, be and it hereby is authorized; 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 action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

(Board – 2/18/16)

**4. John F. Kennedy International Airport – Rehabilitation of Taxiway Q, QG, and Adjacent Section of Restricted Vehicle Service Road – Project Authorization**

**Request:**

- *This item authorizes a project at an estimated total project cost of \$55 million for the rehabilitation of Taxiway Q, Taxiway QG, and a section of the Restricted Vehicle Service Road (RVSR) at John F. Kennedy International Airport (JFK) to maintain a state-of-good repair, extend useful life, and ensure compliance with FAA standards.*

**Background:**

- *Taxiway Q was last paved in 1993 and 1995.*
- *Taxiway throats extending from Taxiway Q cross the RVSR in eight locations and require paving to the taxiway safety area that extends out 193-feet from each side of the taxiway throats along the RVSR. The rehabilitation of this section of the RVSR will eliminate the need for additional future closures of the adjacent Taxiways Q and QG that would be otherwise be required if the RVSR work was deferred to a later time.*
- *The proposed project would provide for the milling and asphalt concrete overlay of Taxiways Q and QG; the milling and asphalt overlay of the RVSR adjacent and parallel to Taxiway Q between Hangar 19 and the J2 Bridge; modifications to the aircraft turning radii on four intersecting taxiways, and the west end of Taxiway Q; and the replacement, relocation, and resetting of guiderails, taxiway guidance signage, pavement markings and taxiway lighting and associated infrastructure.*

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – REHABILITATION OF TAXIWAYS Q AND QG, AND ADJACENT SECTION OF RESTRICTED VEHICLE SERVICE ROAD – PROJECT AUTHORIZATION**

It was recommended that the Board authorize a project for the rehabilitation of Taxiway Q, Taxiway QG, and the adjacent section of the Restricted Vehicle Service Road (RVSR) at John F. Kennedy International Airport (JFK) to maintain a state of good repair and comply with current Federal Aviation Administration (FAA) requirements, at an estimated total project cost of \$55 million.

Taxiways Q and QG, which were last paved over ten years ago, currently exhibit surface distress consistent with normal age-related wear and weathering. The pavement and electrical infrastructure within the taxiway area of work requires rehabilitation in order to maintain a state of good repair and comply with current FAA requirements. In addition, portions of the RVSR adjacent to these taxiways would be paved in order to minimize operational impacts. The rehabilitation of this section of the RVSR would eliminate the need for additional future closures of the adjacent Taxiways Q and QG that would be required if the RVSR work were deferred to a later time.

The proposed project would provide for: the milling and asphalt concrete overlay of Taxiways Q and QG; the milling and asphalt overlay of the portion of the RVSR adjacent and parallel to Taxiway Q; modifications to the aircraft turning radii on four intersecting taxiways, and on the west end of Taxiway Q; and the replacement, relocation, and resetting of guiderails, taxiway guidance signage, pavement markings and taxiway lighting, and improvements to stormwater drainage.

An application to recover eligible costs associated with this expenditure would be submitted to the FAA for Airport Improvement Program funding. These costs are also fully recoverable through the JFK Flight Fee Agreement.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that a project for the rehabilitation of Taxiway Q, Taxiway QG, and an adjacent section of the Restricted Vehicle Service Road at John F. Kennedy International Airport, at an estimated total project cost of \$55 million, be and it hereby is authorized; 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 action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

(Board – 2/18/16)

**5. PATH – Exchange Place Station – Replacement of Escalators – Project Authorization**

**Request:**

- *This item authorizes a \$62 million project to replace three escalators at Exchange Place Station in Jersey City, New Jersey, in order to address damages as a result of Hurricane Sandy.*
- *This item also authorizes the President of PATH to retain engineering design services, program management and integrity monitoring services from existing federally compliant consultant programs.*

**Transaction Details:**

- *The proposed authorization provides for replacement of the existing station escalators with new transit grade heavy duty escalators while minimizing impact to the existing station structures.*
- *Not undertaking the project would result in continuing interruptions to service and resultant impact to customer service.*

**Background:**

- *The Exchange Place Station escalators travel between the station entrance and the platform levels. They have a rise of 77 feet and are the primary means of access and egress to and from the trains.*
- *In October 2012, Hurricane Sandy and its associated storm surge resulted in severe flooding of the PATH. The escalators and controls at Exchange Place Station sustained structural and latent salt water damage from the storm.*
- *In addition to having sustained latent salt water damage, the escalators are approximately 25 years old, nearing the end of their useful life.*
- *The intent of industry standard design guidelines is to improve public safety and escalator reliability for transit applications with 24/7 operations. The project incorporates transit grade heavy duty escalators, including three flat steps at both top and bottom landings.*

**PATH – EXCHANGE PLACE STATION – REPLACEMENT OF ESCALATORS – PROJECT AUTHORIZATION**

It was recommended that the Board authorize: (1) a project to replace three escalators at Port Authority Trans-Hudson Corporation (PATH) rail system’s Exchange Place Station in Jersey City, New Jersey, at an estimated total project cost of \$62 million; and (2) the President of PATH to retain engineering design services, program management and integrity monitoring services necessary to effectuate the project from existing federally compliant consultant programs.

PATH facilities and equipment were severely impacted by Hurricane Sandy. The storm resulted in significant flooding throughout the PATH rail system. The Exchange Place Station served as the staging area for emergency response operations to pump water from Tunnels E and F immediately after the storm. The escalators supported the hoses and pipes that carried the water from the tunnels to street level. Major components of the escalators, including trusses and controls, sustained structural damage and latent damage due to the corrosive residual effects of exposure to salt water.

The Exchange Place Station escalators travel between the station entrance and the platform levels. They have a rise of 77 feet and are the primary means of access and egress to and from the trains. While PATH repaired or replaced the damaged escalator components to restore service following the storm, salt residue from the flooding penetrated throughout the escalator infrastructure and could not be cleaned by flushing or power washing. This latent salt damage has resulted in accelerated corrosion to metal, electrical, and electronic, components of the escalators.

The escalators are approximately 25 years old and near the end of their useful life. When completed, this project would enhance service levels by improving the reliability of Exchange Place Station’s vertical transportation infrastructure between the head house and platforms. The replacement of the escalators would be sequenced in a manner that minimizes disruptions to passengers. There would be no impact to PATH train service.

The Federal Transit Administration has awarded a grant that would provide for reimbursement of approximately 50 percent of the currently forecast project cost. Staff plans to pursue an amendment to its grant application to increase the grant recovery amount to 90 percent of eligible project costs.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that a project for the replacement of three escalators at Port Authority Trans-Hudson Corporation (PATH) rail system’s Exchange Place Station in Jersey City, New Jersey, at an estimated total project cost of \$62 million, be and it hereby is authorized; and it is further

**RESOLVED**, that the President of PATH be and hereby is authorized, for and on behalf of the Port Authority, to; (1) take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and (2) retain engineering design services, program management and integrity monitoring services necessary to effectuate

the foregoing project from existing federally compliant consultant programs; and it is further

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

(Board – 2/18/16)

**6. PATH – Extension of Railcar Maintenance and Storage Yard - Project Authorization**

**Request:**

- *This item authorizes a \$25.2 million project to extend the rail track in PATH’s Maintenance and Storage Yard (“C-Yard”) in order to provide permanent protection of PATH railcars against future flooding events, including design and construction of a bridge, a new entrance, installation of track, ballast removal, ballast installation, grading, and the purchase of concrete ties and rail.*

**Transaction Details:**

- *In order to accelerate the project prior to the 2016 hurricane season, this project will be executed as a two-phase program of improvements that would provide railcar storage above the design flood elevation (DFE) in the event of future flood events and would allow this project to start construction prior to the 2016 hurricane season.*
- *The initial work will be executed largely by PATH’s Way & Structures Division. The scope of work includes environmental assessment, removal and disposal of fence, removal and installation of ballast, grading, and removal and installation of 1,450 feet of track in order to accommodate 29 railcars. The second phase includes the preparation of contract documents by the Engineering Department and the award and execution of an FTA-compliant construction contract for the new bridge and entrance to C-Yard.*
- *In addition, an environmental assessment of soil conditions will be performed, in order to comply with New Jersey Department of Environmental Protection and Federal Transit Administration (FTA) requirements.*

**Background:**

- *During Hurricane Sandy, extensive flooding occurred in both of PATH’s Hudson River tunnel crossings and related track, as well as at the Harrison Car Maintenance Facility, which is PATH’s primary location to store rail cars. Despite efforts made prior to the storm to protect rolling stock, Hurricane Sandy floodwaters damaged 85 PATH railcars located at the Harrison Rail Yard, including 57 PA-5 passenger cars and 28 PA-4 work cars.*
- *The expansion of C-Yard has been identified as a flood mitigation/resiliency measure for the storage of PATH railcars during flood events, as this location is situated above the DFE.*

**PATH – EXTENSION OF MAINTENANCE AND STORAGE YARD – PROJECT AUTHORIZATION**

It was recommended that the Board authorize a project to extend the rail track at Port Authority Trans-Hudson Corporation (PATH) rail system’s Maintenance and Storage Yard (C-Yard) in Jersey City, New Jersey, in order to provide permanent protection of PATH railcars against future flooding events, at an estimated total project cost of \$25.2 million.

During Hurricane Sandy, extensive flooding occurred in both of PATH’s Hudson River tunnel crossings and related track, as well as at the Harrison Car Maintenance Facility’s Rail Yard in Harrison, New Jersey, which is PATH’s primary location to store rail cars. Despite efforts made prior to the storm to protect rolling stock, Hurricane Sandy floodwaters damaged 85 PATH railcars located at the Harrison Rail Yard. Since that time, staff has advanced efforts to mitigate the potential damage from future storms, by making facilities more resilient. The extension of the C-Yard has been identified as a flood mitigation/resiliency measure for the storage of PATH railcars during flood events, because this location is situated above the design flood elevation.

PATH would implement this project in two phases, to accelerate construction prior to the 2016 hurricane season. The scope of work for the initial phase would include performance of soil analysis, removal and disposal of fence, removal and installation of ballast, grading and removal and installation of track, in order to accommodate 29 rail cars. The scope of work for the second phase would include the construction of a new rail bridge over the Conrail National Dock branch line, a new entrance to the C-Yard, a new guard booth enclosure and a grade crossing. Once the new bridge is in place, additional second phase work would include removal and disposal of fence, removal and installation of ballast, grading, and removal and installation of track, in order to accommodate an additional eight rail cars.

The Federal Transit Administration has awarded a grant that would provide for reimbursement of 75 percent of eligible costs to implement the project.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that a project to extend the rail track at Port Authority Trans-Hudson Corporation (PATH) rail system’s Maintenance and Storage Yard, in order to provide permanent protection of PATH railcars against future flooding events, at an estimated total project cost of \$25.2 million, be and it hereby is authorized; and it is further

**RESOLVED**, that the President be and hereby is authorized, for and on behalf of PATH, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

## **7. New York Construction Pre-apprenticeship Training Program – Participation Agreements**

### **Request:**

- *This item requests that the Board authorize the Executive Director to enter into:  
(1) an agreement to extend the Port Authority’s participation in The Edward J. Malloy Initiative for Construction Skills (Construction Skills) with the Building and Construction Trades Council of Greater New York (BCTC), the Building Trades Employers Association of New York City (BTEA), the Department of Education of the City of New York and The Edward J. Malloy Initiative for Construction Skills, Inc. (Construction Skills, Inc.), a non-profit corporation of the State of New York, for a three-year period, from March 2016 through February 2019; and  
(2) an agreement with Construction Skills, Inc. for the Port Authority to contribute up to \$100,000 per year for a corresponding period of three years in connection with the Construction Skills program.*

### **Transaction Details:**

- *Pursuant to the proposed agreement, the Port Authority would continue its policy of requiring that its contractors and subcontractors working on New York construction projects with a cost in excess of \$1 million participate in an apprenticeship program registered with the New York State Department of Labor.*

### **Background:**

- *Since 1995, the Port Authority has participated in the development of pre-apprenticeship programs in both New York and New Jersey. Construction Skills was established by BCTC and the BTEA to address training and employment issues for the future workforce of New York City’s building and construction industry. Construction Skills administers a preparatory training course for high school seniors under which, upon successful completion of the course and receipt of a diploma, are provided with preferred access to apprenticeships in the building and construction industry.*
- *Since 2001, over 2,225 students have successfully completed the program, of which more than 1,680 have been placed in apprenticeship programs.*
- *The companion programs for New Jersey that were also supported in the past, have ceased operations at the end of December 2015. Staff is currently working to identify replacement programs in the near future.*

## **NEW YORK CONSTRUCTION PRE-APPRENTICESHIP TRAINING PROGRAM – PARTICIPATION AGREEMENTS**

It was recommended that the Board authorize the Executive Director to enter into: (1) an agreement to extend the Port Authority's participation in The Edward J. Malloy Initiative for Construction Skills (Construction Skills) with the Building and Construction Trades Council of Greater New York (BCTC), the Building Trades Employers Association of New York City (BTEA), the Department of Education of the City of New York and The Edward J. Malloy Initiative for Construction Skills, Inc. (Construction Skills, Inc.), a non-profit corporation of the State of New York, for a three-year period, from March 2016 through February 2019; and (2) an agreement with Construction Skills, Inc. for the Port Authority to contribute an amount not to exceed \$100,000 per year over a corresponding period of three years in connection with the Construction Skills program.

Since 1995, the Port Authority has participated in the development of pre-apprenticeship programs. Construction Skills was established by the BCTC and BTEA to address training and employment issues for the future workforce of New York City's building and construction industry. Construction Skills, Inc. administers a preparatory training course for high school students in their senior year, under which, if they complete the course successfully and receive their diploma, participating students receive preferred access to apprenticeship programs in the building and construction industry. Since its inception in 2001, Construction Skills, Inc. has placed more than 1,680 of its participants into BCTC affiliate apprenticeship programs. More than 1,200 of these apprentices remain active, including more than 680 journeypersons. Over the past three years alone, approximately 365 students have successfully completed the program, of whom 260 have been placed into BCTC affiliate apprenticeship programs. The program reaches out to a diverse population of students from the five boroughs of New York City.

Construction Skills, Inc. also arranges summer construction internships with private firms and public agencies for high school seniors and coordinates their placement into participating apprenticeship programs. As participants in the Construction Skills program, various unions have agreed to reserve a percentage of openings in each of their apprenticeship programs for Construction Skills graduates.

The Port Authority's continued participation in the Construction Skills program would achieve several important workforce objectives, including: expanding the pool of minority and female apprenticeships from which Port Authority contractors may draw to help them attain Port Authority contractual workforce goals; increasing the availability of skilled construction apprenticeship positions in future years for graduates of New York City high schools; and supporting a program that is designed to make institutional changes in the way the skilled trades select candidates for their apprenticeship programs.

Pursuant to the proposed agreement, the Port Authority would continue its policy of requiring that its contractors and subcontractors working on New York construction projects with a cost in excess of \$1 million participate in an apprenticeship program registered with the New York State Department of Labor.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement to extend the Port Authority's participation in The Edward J. Malloy Initiative for Construction Skills (Construction Skills) with the Building and Construction Trades Council of Greater New York, the Building Trades Employers Association of New York City, the Department of Education of the City of New York and The Edward J. Malloy Initiative for Construction Skills, Inc. (Construction Skills, Inc.), a non-profit corporation of the State of New York, for a three-year period, from March 2016 through February 2019; and (2) enter into an agreement with Construction Skills, Inc. for the Port Authority to contribute an amount not to exceed \$100,000 per year over a corresponding period of three years in connection with the Construction Skills program; and it is further

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

(Board – 2/18/16)

**8. *LaGuardia Airport – Authorization to Implement Certain Actions in Support of the New LaGuardia Airport Redevelopment Program***

***Request:***

*This item authorizes the implementation of certain additional actions in connection with the New LaGuardia Airport Redevelopment Program.*

# **LAGUARDIA AIRPORT - AUTHORIZATION TO IMPLEMENT CERTAIN ACTIONS IN SUPPORT OF THE NEW LAGUARDIA AIRPORT REDEVELOPMENT PROGRAM**

## **Background and Prior Board Action**

The existing Central Terminal Building, also known as Terminal B (“Terminal B”) at LaGuardia Airport (the “Airport”), opened to the public in 1964 with a design capacity of 8 million annual air passengers. Expanded from approximately 750,000 to 835,000 square feet and upgraded in the 1990s, Terminal B served 13.5 million passengers in 2014. Terminal B consists of a four-story central section, two three-story wings and four concourses that can accommodate up to 35 aircraft gate positions. Terminal B has become functionally inefficient, based on current passenger and industry standards. These inefficiencies will only be exacerbated as demand increases. The Port Authority forecasts that passenger traffic at the Airport will reach 34 million passengers by 2030, with 17.5 million passengers using Terminal B, a 1.5-percent annual growth from 2014 through 2030. In addition, Terminal B is disconnected from adjacent Terminals C and D after years of sporadic and fragmented redevelopment at the Airport and nearly every component of the existing infrastructure serving the separate Terminals at the Airport is past its useful life and is undersized for current passenger demand.

## **The LGA Redevelopment Program**

To remedy the functional inefficiencies of Terminal B and related facilities, the Port Authority is embarking on a major modernization and redevelopment program at the Airport (the “Program”), which consists of the following separate, but related elements – (i) the Terminal B replacement project, consisting of the design, finance, construction, operation and maintenance of a new Terminal B and related facilities at the Airport, to be performed by LaGuardia Gateway Partners LLC, a private consortium, under a public-private partnership with the Port Authority pursuant to the terms of the Lease described below; and (ii) the design and construction of the Supporting Infrastructure, and the design, construction, operation and maintenance of a new Central Hall, to be performed by LaGuardia Gateway Partners LLC on a reimbursable basis pursuant to the terms of the Lease (clauses (i) and (ii) together, the “New Terminal B Project”). The Board has also previously authorized several projects of independent utility, which have been completed or are nearly complete, to service immediate and long-term infrastructure needs at the Airport, including airfield improvements, roadways, a new East End substation and East Garage (the “LGA Capital Infrastructure Renewal Projects” or “LGACI Projects”).

## **New Terminal B Project**

The New Terminal B Project, identified as a major priority project in the Port Authority’s 10-year capital plan, consists of the design, finance, construction, operation and maintenance, as applicable, of the New Terminal B Facilities, the Supporting Infrastructure and the Central Hall, all as described in more detail in (A), (B) and (C) below.

(A) The New Terminal B Facilities included in the New Terminal B Project consist of the design, finance, construction, operation and maintenance of:

- (i) a new Terminal B, including a new and redesigned contiguous aircraft ramp and apron areas, new contiguous frontage roads and supporting buildings and site utilities;
  - (ii) a pedestrian walkway connection between the new Terminal B and the new West Garage;
  - (iii) a new central heating and refrigeration plant;
  - (iv) a consolidated receiving and warehouse distribution facility; and
  - (v) a new hydrant aircraft fueling infrastructure located within the new Terminal B contiguous aircraft ramp areas (collectively, the “New Terminal B Facilities”).
- (B) The Supporting Infrastructure included in the New Terminal B Project consists of:
- (i) the design and construction of:
    - a. improvements to the public airport roads and utilities associated with such roadway improvements;
    - b. replacement utilities and new utilities serving the New Terminal B Facilities (and during construction of the New Terminal B Facilities, the existing Terminal B, including contiguous aircraft ramp areas (the “Existing Terminal B Facilities”), and the existing central heating and refrigeration plant (together with the Existing Terminal B Facilities, the “Existing Facilities”));
    - c. the new West Garage and associated toll plaza serving the New Terminal B Facilities; and
    - d. airfield modifications between the New Terminal B Facilities and the adjacent taxiways; and
  - (ii) the fit-out of Building 30 and coordination of and assistance with relocation of Port Authority operations from the Existing Terminal B Facilities to Building 30 (the fit-out of Building 30, together with the design and construction of the roadway improvements, the utilities replacement, the West Garage and the airfield modifications, the “Supporting Infrastructure”).

(C) The Central Hall included in the New Terminal B Project consists of the design, construction, operation and maintenance of a non-exclusive, central arrivals/departure hall located between the New Terminal B Facilities and the potential future redeveloped Terminal C at the Airport (the “Central Hall”), in accordance with the recommendations provided by the Airport Master Plan Advisory Panel (“Advisory Panel”) created by New York Governor Andrew Cuomo to advise the Governor and the Port Authority on the modernization of the

Airport. The Central Hall will be designed to unify the Airport and may accommodate the future development of one or more of the following: (i) an automated people mover and/or moving walkway; (ii) an AirTrain station; (iii) conference and meeting room capacity; (iv) retail, food and beverage space; and (v) a hotel and related facilities.

Prior Board Authorizations

Through prior actions from May 2004 through October 2015 meetings, the Board authorized the expenditure of an aggregate amount of \$474.6 million in connection with (i) planning and design services for the New Terminal B Project (including planning for replacing the Central Terminal Building) and the LGACI Projects, (ii) certain early work relating to the Supporting Infrastructure and (iii) the planning, design and construction of the West Garage. In 2014, the Supporting Infrastructure (including the West Garage) was included in the scope of the New Terminal B Project work for the purpose of efficiency of Program delivery and coordination of Airport-wide construction.

At its May 28, 2015 meeting, the Board selected LaGuardia Gateway Partners as the Preferred Proposer, in connection with the New Terminal B Project, pursuant to a competitive request for proposals (“RFP”) selection process, and authorized the Executive Director to take certain actions in connection therewith, including entering into an exclusive negotiating period with the Preferred Proposer, with the final agreed-to proposal from the Preferred Proposer subject to further Board approval. At the same meeting, the Board also authorized the negotiation of a limited change order with the Preferred Proposer regarding the Central Hall as part of the New Terminal B Project in an aggregate amount not to exceed \$400 million with the final limited change order subject to further Board approval.

At its June 25, 2015 meeting, in recognition of the critical need to implement the project, the Board authorized, among other things, certain: (i) early work items relating to the Supporting Infrastructure; (ii) hangar improvements; and (iii) contract awards and expenditures for program delivery services in connection with the Program and to support the integration of the New Terminal B Project with other ongoing construction projects at the Airport.

At its October 22, 2015 meeting, the Board authorized, among other things, certain: (i) additional early work items relating to the Supporting Infrastructure; (ii) actions for the expenditure of an additional amount to compensate LaGuardia Gateway Partners, for services provided by Hellmuth, Obata & Kassabaum, Inc. (HOK) pertaining to providing airport planning, management and implementation advisory services in connection with the Program and integration with the Advisory Panel Recommendations; and (iii) contract awards and expenditures for program delivery services in connection with the Program and to support the integration of the New Terminal B Project with other ongoing construction projects at the Airport. As described above, the early work items previously authorized by the Board at its June 25, 2015 and October 22, 2015 meetings are subsumed in, and not in addition to, the amounts authorized herein for expenditures with respect to the Supporting Infrastructure.

It is anticipated that the The Lessee for the New Terminal B Project will enter into a fixed price, guaranteed design-build contract with the design-build joint venture among Skanska USA Building, Skanska USA Civil Northeast and Walsh Construction (the “DBJV”), with an

estimated design and construction cost for the entire New Terminal B Project, as described above, of an estimated \$3.93 billion, inclusive of extra work allowance.

Certain additional early work is being advanced prior to Lease commencement in order to maintain the overall schedule for the Program and to meet critical path construction milestones for the New Terminal B Project and includes certain on-site construction work related to (i) the West Garage including pre-cast segments, foundations, utilities, pile driving and related work, (ii) roadways, and (iii) finalization of design with respect to the New Terminal B Project (collectively, the “Additional Early Work”). The Additional Early Work is included in the New Terminal B Project scope.

It is now recommended that the Board authorize the Executive Director to take certain actions in support of the Program, including an authorization of the expenditure of up to \$50 million under the Early Work Agreement, to reimburse the Preferred Proposer for the performance of the Additional Early Work, which includes (i) certain on-site construction work related to the West Garage pre-cast segments, foundations, utilities, pile driving and related work, (ii) roadways, and (iii) finalization of design.



Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to continue the exclusive negotiations with LaGuardia Gateway Partners LLC , consistent with the foregoing report to the Board, to agree to the terms of a Lease and a final proposal for the New Terminal B Project with LaGuardia Gateway Partners LLC , and in each case the final Lease and final proposal are subject to Board approval prior to execution; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to expend up to \$50 million under the Early Work Agreement to perform the Additional Early Work in connection with the Program, (i) the West Garage, including pre-cast segments, foundation, utilities, pile driving and related work; (ii) roadways; and (iii) finalization of design; 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 action with respect to other construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the Program, pursuant to the authority granted in the By-Laws or other resolution adopted by

the Board; and it is further

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