

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, November 18, 2010

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, November 18, 2010 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
 Hon. David S. Steiner

NEW YORK

Hon. H. Sidney Holmes III
 Hon. Jeffrey A. Moerdler
 Hon. Henry R. Silverman

Christopher O. Ward, Executive Director
 William Baroni, Jr., Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Denise M. Berger, Deputy Director, Engineering
 Ernesto L. Butcher, Chief Operating Officer
 Rosemary Chiricolo, Assistant Director, Management and Budget
 Steven J. Coleman, Assistant Director, Media Relations
 John C. Denise, Audio Visual Supervisor, Public Affairs
 Michael P. DePallo, Director, Rail Transit
 Claudia Dickey, Assistant Director, Public Safety
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 Francis A. DiMola, Director, Real Estate and Development
 John J. Drobny, Director, Security Projects
 Michael G. Fabiano, Chief Financial Officer
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Michael B. Francois, Chief, Real Estate and Development
 Jennifer Friedberg, Public Information Officer, Media Relations
 Lash L. Green, Director, Office of Business and Job Opportunity
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Director, Human Resources
 Charles Huang, Manager, Corporate Financial Services, Financial Analysis
 Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs
 Howard G. Kadin, Esq., Law
 James A. Keane, General Manager, Operations Safety, Operations Services
 John P. Kelly, Acting Chief, Public and Government Affairs
 Louis J. LaCapra, Chief Administrative Officer
 Cristina M. Lado, Director, Government and Community Affairs
 Conor Lanz, Special Assistant to the Executive Director
 Richard M. Larrabee, Director, Port Commerce
 Stephen Marinko, Esq., Law
 Ronald Marsico, Assistant Director, Media Relations, Public Affairs
 Michael G. Massiah, Director, Management and Budget
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Sanjay S. Mody, Advisor to the Chairman
 Anne Marie C. Mulligan, Treasurer

Diane Paonessa, Associate Board Management Support Specialist, Office of the Secretary
Jeffrey P. Pearce, Deputy Director, Aviation
Steven P. Plate, Director, World Trade Center Construction
Monika A. Radkowska, Board Management Support Specialist, Office of the Secretary
Alan L. Reiss, Deputy Director, World Trade Center Construction
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
Lillian D. Valenti, Director, Procurement
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Robert E. Van Etten, Inspector General
Andrew S. Warshaw, Chief of Staff to the Executive Director
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive
Director
Peter J. Zipf, Chief Engineer

Guests:

A. Paul Blanco, Retiree, Former Chief Financial Officer
Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey
Francis J. Lombardi, Retiree, Former Chief Engineer
John D. Brill, Retiree, Former Director of Audit

Speakers:

Murray Bodin, Member of the Public
Margaret Donovan, Twin Towers Alliance
Richard Gonzalo, Chairman, Port Authority IBEW, Local 3
Harry Greenberg, Attorney, IBEW, Local 3

The public meeting was called to order by Chairman Coscia at 2:18 p.m. and ended at 2:55 p.m.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of October 21, 2010. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on October 22, 2010. She reported further that the time for action by the Governors of New York and New Jersey expired at midnight on November 8, 2010.

Whereupon, the Board unanimously approved the Minutes of the meeting of October 21, 2010.

Documents Filed with the Board

It was reported that the comment period for the modification to Rules and Regulations of the Marine Terminal Tariff – Federal Maritime Commission Schedule No. PA-10, which was filed with the Board on September 1, 2010, and subsequently revised to address comments received, had expired.

Report of Security Committee

The Security Committee reported, for information, on matters discussed in executive session at its meeting on November 18, 2010, which included discussion of matters involving public safety or law enforcement, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on November 18, 2010, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public and executive sessions at its meeting on November 18, 2010, which included discussion of an agreement for the letting of space at the Bathgate Industrial Park, the acquisition of certain property located adjacent to John F. Kennedy International Airport for aeronautical purposes, and discussion of matters related to the purchase, sale or lease of real property or securities, where public disclosure would affect the value thereof or the public interest, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public and executive sessions at its meeting on November 18, 2010, which included discussion of a project for the rehabilitation of Runway 1-19 at Teterboro Airport, a quarterly update on the the status of certain capital projects in the agency's Capital Program, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public session at its meeting on November 18, 2010, which included discussion of an item for planning to evaluate alternatives for truck access to One World Trade Center, the award of construction trade contracts in connection with the World Trade Center Memorial Museum Pavilion and the Memorial Museum project, and review of funding for the Lower Manhattan Construction Command Center, and the report was received.

Report of Special, Interim Meeting of the Committee on Operations

In view of the absence of a quorum for the Board to act on certain matters to be considered at its meeting on November 18, 2010, consistent with the Board's resolution of December 15, 1994, a special, interim meeting of the Committee on Operations was held. At the meeting, the Committee acted for and on behalf of the Board on certain matters included on the agenda for the Board meeting. A copy of the minutes of the special, interim meeting of the Committee on Operations held on November 18, 2010 is included with these minutes.

TETERBORO AIRPORT – REHABILITATION OF RUNWAY 1-19 – PROJECT AUTHORIZATION

It was recommended that the Board authorize a project for the rehabilitation of Runway 1-19 and a portion of Taxiway G located east of Runway 1-19 at Teterboro Airport (TEB). Rehabilitation of the runway and taxiway would include pavement work and infrastructure enhancements, in order to maintain a state of good repair, enhance safety, minimize maintenance costs and comply with the most recent Federal Aviation Administration lighting system standards, at an estimated total project cost of \$23 million.

Runway 1-19, the longer of TEB's two runways, was last rehabilitated in 2000. The pavement on Runway 1-19 requires rehabilitation in order to maintain the runway in a state of good repair. The proposed scope of work includes pavement markings, drainage improvements, re-grading grass areas and installing upgraded electrical and lighting systems.

Rehabilitation of the portion of Taxiway G east of Runway 1-19 also is necessary, to return the taxiway to a state of good repair.

At certain times during the rehabilitation project, runway and airport closures would be required. Closures would be scheduled during non-peak periods, to minimize their impact on airport operations.

Costs associated with this project are eligible for Federal Airport Improvement funding.

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

RESOLVED, that a project for the rehabilitation of Runway 1-19 and a portion of Taxiway G located east of Runway 1-19 at Teterboro Airport, at an estimated total project cost of \$23 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 shall be subject to the approval of General Counsel or his authorized representative.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – LOGAN PROPERTY, INC. –
PROPERTY ACQUISITION**

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement with Logan Property, Inc. or one of its affiliates or subsidiaries (collectively, Logan) pursuant to which the Port Authority would acquire, at an estimated cost of \$2.4 million, a parcel of approximately 4.13 acres of land (Property) located northerly of John F. Kennedy International Airport (JFK) and southerly of Rockaway Boulevard in the Borough of Queens, as generally shown on the attached Exhibit A; (2) enter into an agreement to provide Logan with the right to use certain JFK roadways to access its property, and the right to access JFK's sanitary lines and water lines (to be paid for by Logan on a metered basis) in support of its operations; (3) enter into an agreement to provide the Port Authority with the right to access a driveway on Logan's remaining property, in the event a traffic signal is installed on Rockaway Boulevard; (4) convey the Property to the City of New York (City) and execute an agreement or agreements supplemental to the Amended and Restated Agreement of Lease of the Municipal Air Terminals between the City and Port Authority (Air Terminals Agreement) to add such Property to JFK's Demised Premises; and (5) incur all related costs and expenses, and execute all documents and agreements, including, without limitation, agreements and conveyances involving transfers of property interests to or from the Port Authority, and take such actions as may be necessary or incidental to effectuate the foregoing transactions. This land acquisition would allow the Port Authority to expand JFK Runway 4L-22R on the north side, in order to fulfill the Federal Aviation Administration's requirement to provide Runway Safety Areas (RSA) by 2015.

The implementation of RSA improvements for Runway 4L-22R will require an extension of the runway to accommodate 1,000-foot RSAs at each end. The acquisition of the Property and the accompanying agreements would allow for the proposed extension and improved access by both the Port Authority and Logan for their respective operations at and adjacent to JFK.

The Air Terminals Agreement provides that land acquired by the Port Authority for Municipal Air Terminal Purposes shall be deemed part of the Demised Premises and subject to the provisions of such agreement. To implement this provision, the Port Authority would convey the Property to the City, and the City would lease the Property to the Port Authority by means of a supplemental agreement.

The Property has been appraised at a value in excess of the proposed purchase price.

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

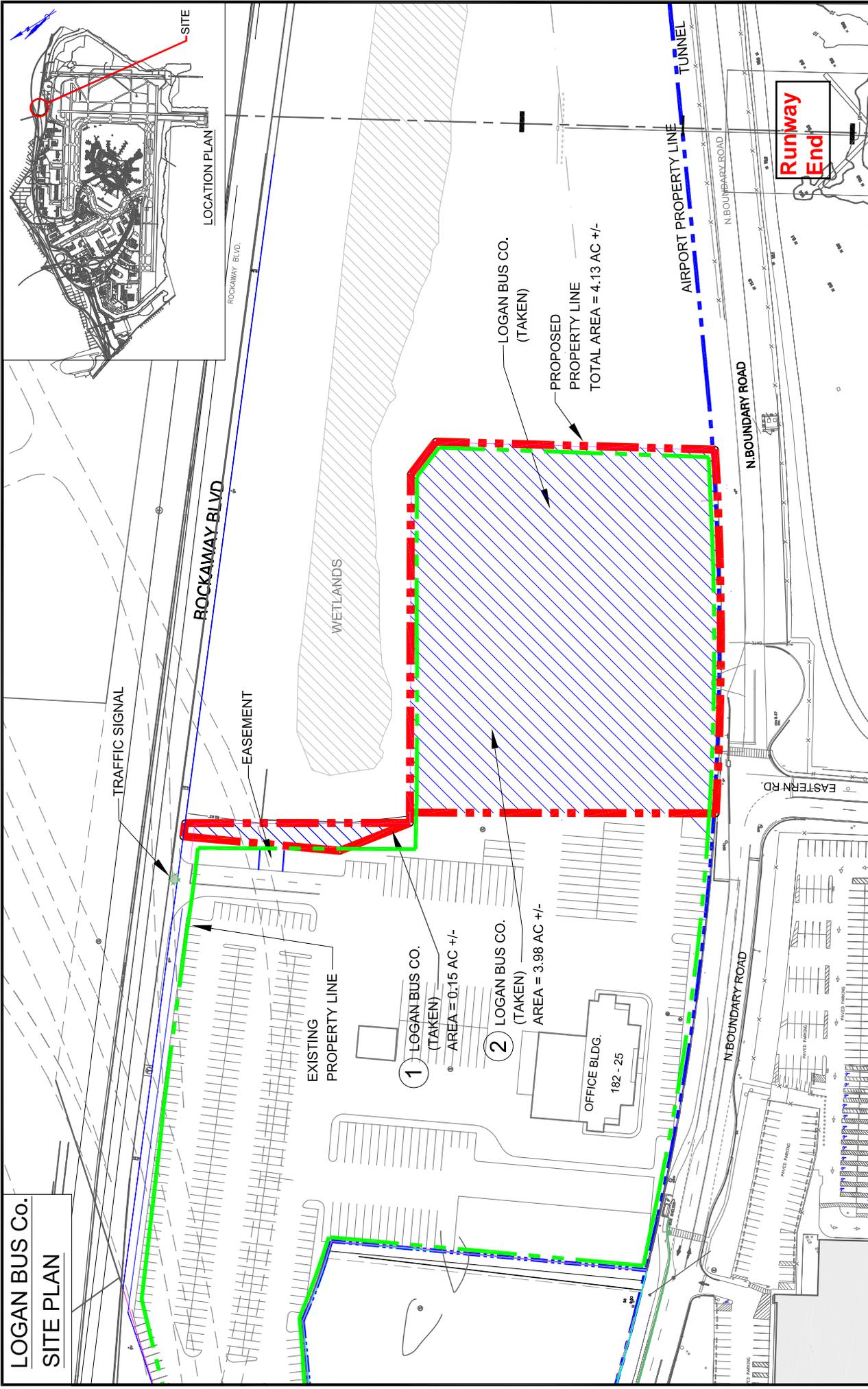
RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement with Logan Property, Inc. or one of its affiliates or subsidiaries (collectively, Logan) pursuant to which the Port Authority will acquire a parcel of approximately 4.13 acres of land (Property) located northerly of John F. Kennedy International Airport (JFK) and southerly of Rockaway Boulevard in the Borough of Queens, as generally shown on the attached Exhibit A, the metes and bounds of which Property will be established with the assistance of a title search and survey by a licensed surveyor; (2) enter into

an agreement to provide Logan with the right to use certain JFK roadways and to access JFK's sanitary lines and water lines (to be paid for by Logan on a metered basis) in support of its operations; (3) enter into an agreement to provide the Port Authority with the right to access a driveway on Logan's remaining property; and (4) convey the Property to the City of New York (City) and execute an agreement or agreements supplemental to the Amended and Restated Agreement of Lease of the Municipal Air Terminals between the City and Port Authority to add such Property to JFK's Demised Premises; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to incur all related costs and expenses and to execute all documents and agreements, including, without limitation, agreements and conveyances involving transfers of property interests to or from the Port Authority, and take such actions, as may be necessary or incidental to effectuate the foregoing transactions; and it is further

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

**LOGAN BUS Co.
SITE PLAN**



INITIALED:

FOR THE PORT AUTHORITY

FOR THE LESSEE

EXHIBIT A

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
**JOHN F. KENNEDY
INTERNATIONAL AIRPORT**
10 - 12 - 10 (LB - 0) JFK10 - 002

**Runway
End**

WORLD TRADE CENTER (WTC) MEMORIAL, MEMORIAL MUSEUM AND WTC INFRASTRUCTURE PROJECTS – AUTHORIZATION TO ACCEPT ASSIGNMENT OF A TRADE CONTRACT FOR MEMORIAL MUSEUM PAVILION CARPENTRY

It was recommended that the Board authorize the Executive Director to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (NS11MM) to Island Acoustics for the performance of all carpentry work for the World Trade Center (WTC) Memorial Museum Pavilion, at an estimated amount of \$2,376,000, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. (Bovis) for construction management (CM) services associated with the Memorial Museum Pavilion carpentry trade contract, at an estimated cost of \$218,768. These costs are the sole responsibility of the NS11MM, because the work supports the WTC Memorial Museum Pavilion exclusively.

Pursuant to a July 2006 Project Agreement with the Lower Manhattan Development Corporation, the NS11MM, the City of New York and the State of New York, the Port Authority is to assume responsibility for construction of the WTC Memorial and the Memorial Museum Projects.

In December 2006, the Board authorized the Executive Director to finalize agreements with the NS11MM providing for the Port Authority to accept an assignment of the Bovis CM contract and manage all construction work for the WTC Memorial and Memorial Museum Projects. In anticipation of the full assignment of the Bovis CM contract, the NS11MM has proceeded with procurement of the Memorial Museum Pavilion carpentry trade contract, as an essential component of the critical path schedule for the WTC Memorial, Memorial Museum and WTC Infrastructure Projects.

The NS11MM will award the WTC Memorial Museum Pavilion carpentry trade contract to Island Acoustics, the lowest qualified bidder, selected from among multiple competitive bids based on a list of select bidders established in the Bovis CM contract. The scope of work for the trade contract includes the performance of all rough carpentry, drywall and finish carpentry, such as stainless steel trim and wall panels, miscellaneous interior carpentry, roofing carpentry and all drywall ceilings, partitions and suspension systems, including gypsum board, acoustical gypsum board plastering system and acoustic ceiling tile, and installation of all hollow metal doors, hollow metal frames, borrow lights and transoms for the WTC Memorial Museum Pavilion.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. to Island Acoustics for the performance of all carpentry work for the World Trade Center Memorial Museum Pavilion, in an estimated amount of \$2,376,000, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. for

construction management services associated with the Memorial Museum Pavilion carpentry trade contract, at an estimated cost of \$218,768; and it is further

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

WORLD TRADE CENTER (WTC) MEMORIAL, MEMORIAL MUSEUM AND WTC INFRASTRUCTURE PROJECTS – AUTHORIZATION TO ACCEPT ASSIGNMENT OF A TRADE CONTRACT FOR A HEATING AND COOLING SYSTEM FOR THE BRONZE NAME PARAPETS

It was recommended that the Board authorize the Executive Director to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (NS11MM) to KSW Mechanical Services, Inc. for the furnishing and installation of a complete bronze name parapets heating and cooling system for the World Trade Center (WTC) Memorial Project, at an estimated amount of \$3,510,000, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. (Bovis) for construction management (CM) services associated with the WTC Memorial bronze name parapet heating and cooling system trade contract, at an estimated cost of \$323,180. These costs are the sole responsibility of the NS11MM, because the work supports the WTC Memorial Project exclusively.

Pursuant to a July 2006 Project Agreement with the Lower Manhattan Development Corporation, the NS11MM, the City of New York and the State of New York, the Port Authority is to assume responsibility for construction of the WTC Memorial and the Memorial Museum Projects.

In December 2006, the Board authorized the Executive Director to finalize agreements with the NS11MM providing for the Port Authority to accept an assignment of the Bovis CM contract and manage all construction work for the WTC Memorial and Memorial Museum Projects. In anticipation of the full assignment of the Bovis CM contract, the NS11MM has proceeded with procurement of a heating and cooling system trade contract for the bronze name parapets, as an essential component of the critical path schedule for the WTC Memorial, Memorial Museum and WTC Infrastructure Projects.

The NS11MM will award the bronze name parapet heating and cooling system trade contract to KSW Mechanical Services, Inc., the lowest qualified bidder, selected from among multiple competitive bids based on a list of select bidders established in the Bovis CM contract. The scope of work includes, but is not limited, to the fabrication, furnishing and installation of all parts for the bronze name parapets heating and cooling system, including all pipes, pumps, heat exchangers, automatic valves, surface temperature sensors and wiring.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. to KSW Mechanical Services, Inc. for the furnishing and installation of a complete bronze name parapets heating and cooling system for the World Trade Center (WTC) Memorial Project, in an estimated amount of \$3,510,000, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. for construction management services associated with the WTC Memorial bronze name parapet

heating and cooling system trade contract, at an estimated cost of \$323,180; and it is further

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

THE WORLD TRADE CENTER – EAST SIDE SITE DEVELOPMENT PLAN – AGREEMENTS AND RELATED DOCUMENTS - UPDATE

It was recalled to the Board that on August 26, 2010, the Board authorized the Executive Director to take any and all action to effectuate the transaction between the Silverstein net lessees of Towers 2, 3 and 4 (SPI) and the Port Authority consistent with the report to the Board with respect to the effectuation of the March 25, 2010 development plan for the east side of the World Trade Center site, subject to the prior review of the Chairman. It was also recalled to the Board that as part of this process, construction and lease-up of Tower 4 (T4) would be funded from financial sources including approximately \$1.365 billion of Liberty Bonds, and that the Port Authority would provide credit support for that portion of the debt service on these Liberty Bonds not covered by the rent payable by the City of New York (NYC) under the City T4 Space Lease.

In connection with the ongoing rating agency review of the proposed T4 Liberty Bonds, the rating agencies have raised certain theoretical issues with the proposed credit support structure for the T4 Liberty Bonds which are an impediment to the issuance of a AA- (or, for that matter, possibly any) rating with respect to the T4 Liberty Bonds. As such, the rating agencies are requiring certain changes in the credit support structure for the T4 Liberty Bonds to shift any risk associated with these issues away from the T4 Liberty Bondholders. As a practical matter, even though the overall likelihood of the occurrence of the events giving rise to these risks is relatively remote, it is recommended that the Port Authority "wrap" these relatively remote risks rather than face a "guaranteed" higher cost over the life of the T4 Liberty Bonds (due to higher interest rates resulting from a lower rating) and an increased likelihood of draws against the T4 Tenant Support Agreement (TSA).

The rating agencies have accepted the fact that the Port Authority's obligations under the Tower 4 Bond Support Agreement (T4 BSA) with respect to debt service on the T4 Liberty Bonds is limited to the portion thereof not otherwise payable by NYC under the City T4 Space Lease, and have not required that the Port Authority be responsible to the T4 Liberty Bondholders for any shortfall in a debt service payment arising from a default by NYC in the payment of rent under the City T4 Space Lease.

However, the rating agencies are requiring that the credit support structure for the T4 Liberty Bonds address the following issues:

Bankruptcy Risk - The effect of a voluntary or involuntary T4 Net Lessee bankruptcy on the City T4 Space Lease and the City Fixed Rent thereunder (which is pledged to the T4 Liberty Bonds Trustee). The concern is over the possibility that (i) the City T4 Space Lease could be rejected by a bankruptcy trustee on behalf of the T4 Net Lessee, and/or (ii) the City Fixed Rent pledged to the T4 Liberty Bonds Trustee could be vulnerable to claims of third-party creditors in a T4 Net Lessee bankruptcy.

Third-Party Creditor Risk - The effect of claims by third parties against the assets of the T4 Net Lessee, which include the City Fixed Rent pledged to the T4 Liberty Bonds Trustee (i.e., creditors who have reduced their claims to judgments and attempted to enforce those judgments), which could result in all or a portion of the City Fixed Rent not being received by the T4 Liberty Bonds Trustee.

Capitalized Interest Reserve Vulnerability - The effect of a voluntary or involuntary T4 Net Lessee bankruptcy on the application of funds in the capitalized interest reserve funded from T4 Liberty Bonds proceeds at closing and held under the T4 Liberty Bonds Indenture by the T4 Liberty Bonds Trustee for the payment of debt service on the T4 Liberty Bonds, which could result in funds in the capitalized interest reserve not being timely applied by the T4 Liberty Bonds Trustee to the payment of debt service on the T4 Liberty Bonds.

T4 Net Lessee Release of City T4 Space Lease - The effect of a voluntary release by the T4 Net Lessee of NYC from its obligation to pay City Fixed Rent under the City T4 Space Lease, which could result in a deficiency in funds available for the payment of debt service on the T4 Liberty Bonds.

The likelihood of the occurrence of these events is relatively remote under the transactional structure authorized by the Board on August 26, 2010.

Bankruptcy Risk - A T4 Net Lessee bankruptcy (or a T3 Net Lessee bankruptcy in which the T4 Net Lessee's estate is substantively consolidated) is remote since, (i) in accordance with the terms of the T4 Net Lease and the T3 Net Lease, each Net Lessee is organized as a special purpose bankruptcy remote entity complying with substantially all of the customary rating agency special purpose entity covenants (with certain exceptions made necessary to implement the TSA cash trap); (ii) each Net Lessee has an independent director whose vote is required in order to file a voluntary bankruptcy and who cannot be removed without being replaced by another independent director; (iii) the TSA for Tower 4 provides a funding source for operating deficits and for a limited but nonetheless substantial amount of construction cost overruns and leasing cost overruns; and (iv) the TSA for Tower 3 provides a funding source for a limited but nonetheless substantial amount of operating deficits, construction cost overruns and leasing cost overruns. Expenses not funded by the Port Authority under the TSA for each tower are narrowly defined to include (a) expenses resulting from breaches of the TSA and related documents and "bad acts" of the particular Net Lessee, litigation expenses associated with actions against the Port Authority, and expenses resulting from material violations, and (b) expenses in excess of the predetermined funding parameters. Moreover, under each TSA, the applicable Net Lessee is permitted to use up to 50 percent of revenues accumulating in the cash trap in order to pay for certain of these unfunded expenses, further reducing the likelihood of a liquidity shortfall..

Third-Party Creditor Risk - Given the restrictions applicable to each Net Lessee's activities as a special purpose entity, each Net Lessee is authorized only to develop and operate its net leased property and has no capacity to be involved in other ventures. In addition, the TSA for each tower provides a source for funding virtually all expenses relating to the development and operation of that tower, thus leaving as remote the possibility that there would be unpaid claims against the T4 Net Lessee that would result in successful claims against the City Fixed Rent payment stream.

Capitalized Interest Reserve Vulnerability – The capitalized interest reserve is a fully funded segregated reserve established with T4 Liberty Bonds proceeds on the date of issuance of the T4 Liberty Bonds and held by the T4 Liberty Bonds Trustee. It is anticipated that this reserve will be fully expended within approximately 18 months of

the issuance of the T4 Liberty Bonds, which, if for no other reason than the availability of T4 Liberty Bonds proceeds to cover expenses and satisfy third-party claims during this period, leaves as remote the possibility that there would be unpaid claims against the T4 Net Lessee that would result in successful claims against the capitalized interest reserve.

T4 Net Lessee Release of City T4 Space Lease - Absent a replacement tenant (which requires Port Authority consent) as provided for under the T4 TSA, any such release of NYC would be an immediate default under the T4 Liberty Bonds, resulting in a cross-default under the T4 TSA, entitling the Port Authority to foreclose on the T4 Leasehold Mortgage.

Nevertheless, the rating agencies are requiring that the Port Authority's obligations under the T4 BSA be extended to "wrap" these theoretical risks through:

- Port Authority payment to the T4 Liberty Bonds Trustee of any shortfall in debt service arising if and to the extent that: (i) the City Fixed Rent is not available to the T4 Liberty Bonds Trustee for a debt service payment as a result of a bankruptcy trustee or third party creditor gaining access to City Fixed Rent; (ii) the T4 Net Lessee voluntarily releases the City from any portion of its rental obligation under the City T4 Space Lease; and (iii) the bankruptcy trustee in a T4 Net Lessee bankruptcy rejects the City T4 Space Lease and thereafter the City terminates the City T4 Space Lease on account of such rejection.
- Port Authority payment of capitalized interest to the T4 Liberty Bonds Trustee, with an immediate reimbursement to the Port Authority from the capitalized interest reserve account, rather than for such payments to be made directly from the capitalized interest reserve account until such account is depleted (which is anticipated to occur within approximately 18 month after issuance of the T4 Liberty Bonds).

To reduce the risk to the Port Authority of these additional "wraps":

- The T4 TSA would provide that the occurrence of any of the events described above which result in increased payments by the Port Authority would constitute events of default under the T4 TSA, entitling the Port Authority to foreclose on the T4 Leasehold Mortgage granted to the Port Authority and/or terminate the T4 Net Lease without having to comply with any requirement to obtain a final non-appealable judicial determination (subject to any automatic stay in any bankruptcy proceeding).
- The T4 TSA would restrict the T4 Net Lessee from incurring expenses which are within the control of the T4 Net Lessee without a showing that it had access to sufficient funds to pay for such expenses.
- World Trade Center Holdco LLC (the SPI parent entity of all three Net Lessees) would guaranty payment to the Port Authority of any damages incurred by the Port Authority as a result of the Port Authority's payments under the T4 TSA being increased due to any bankruptcy filing by or against the T4 Net Lessee, non-payment of any creditors, voluntary release of the City from its lease obligations, or unavailability of the capitalized interest reserve, together with interest thereon at the

default rate of interest under the T4 TSA. The guaranty would be secured by equity pledges in all three Net Lessees (subordinate to the pledges granted to third-party financing sources), so that upon a failure to pay under the guaranty, the Port Authority would be entitled to foreclose out the SPI interests in all three development sites.

- The T4 Net Lessee would revise its organizational documents in order to provide for greater "separateness" covenants and more enhanced protections against bankruptcy than those that exist currently.
- The T4 Net Lessee would agree not to release NYC from any of its payment obligations under the City T4 Space Lease without the approval of the Port Authority.
- The T4 Net Lessee would give the Port Authority the right under the T4 TSA to fund protective advances on behalf of the T4 Net Lessee in order to preserve and protect the property and protect against a T4 Net Lessee bankruptcy. These protective advances would be secured by the T4 Leasehold Mortgage, so that the Port Authority would have secured claims for repayment of any amounts owing to it under the T4 TSA, including the protective advances. Those claims would be senior to the claims of creditors of the T4 Net Lessee.

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

RESOLVED, that the authorizations set forth in the August 26, 2010 minutes, entitled "*The World Trade Center – East Side Development Plan*," are supplemented to include the effectuation of the transactions described therein on a basis consistent with the foregoing report to the Board.

**UNITED STATES DEPARTMENT OF HOMELAND SECURITY FISCAL YEAR 2008
PORT SECURITY GRANT PROGRAM – AGREEMENTS WITH VARIOUS
LAW ENFORCEMENT AGENCIES AND EMERGENCY RESPONDERS FOR
THE PURCHASE AND TRANSFER OF EQUIPMENT – PHASE II – AWARD
OF CONTRACT**

It was recommended that the Board authorize the Executive Director to: (1) enter into agreements with various federal, state and local law enforcement agencies and emergency responders to provide for the purchase and transfer of certain equipment to expand and enhance the coordination of maritime security efforts among law enforcement agencies and emergency responder vessels operating in the Port of New York and New Jersey, as part of a United States Department of Homeland Security (DHS) Fiscal Year (FY) 2008 Port Security Grant Program (Grant Program); and (2) award a contract to L-3 Communications Corp., Aviation Recorders Division (L-3 Communications), for the purchase, installation and maintenance of the equipment, at an estimated cost of \$699,428. It is expected that 75 percent of such cost would be reimbursed to the Port Authority by DHS under its FY 2008 Grant Program.

The Port of New York and New Jersey (Port) covers a large geographic area with hundreds of maritime facilities and critical infrastructure, which requires that maritime security responsibilities be shared and coordinated among many federal, state and local agencies. In November 2007, the Board authorized the Executive Director to enter into agreements with various federal, state and local law enforcement agencies and emergency responders to provide for the purchase of certain equipment by the Port Authority and the transfer of title of the equipment to those entities, as part of DHS's FY 2007 Grant Program. Subsequently, the Executive Director authorized the award of a contract to L-3 Communications for the purchase, installation and maintenance of equipment on 37 state and local law enforcement and emergency responder vessels, including two Port Authority Police vessels.

As part of the FY 2008 Grant Program, the Port Authority was awarded funds for the purchase, installation and maintenance of equipment on an additional 53 vessels that is necessary to enhance strategic planning and response capabilities among federal, state and local law enforcement and emergency responder vessels that currently support the United States Coast Guard (Coast Guard) Sector New York's Maritime Security mission. The Port Authority would serve as the local sponsor for the initiative and would be responsible for 25 percent of costs associated with the program.

Law enforcement agencies and emergency responders accepting the equipment would be required to enter into agreements with the Port Authority outlining the roles and responsibilities for the operation and maintenance of the equipment.

Because the required equipment must be fully interoperable with the Coast Guard system, authorization also is requested to award a contract to L-3 Communications, the only Coast Guard-approved manufacturer, for the purchase, installation and maintenance of the equipment.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with various federal, state and local law enforcement agencies and emergency responders to provide for the purchase of certain equipment by the Port Authority and the transfer of title for said equipment to the law enforcement agencies and emergency responders for the purpose of enhancing the coordination of maritime security efforts among law enforcement and emergency responder vessels operating in the Port of New York and New Jersey, as part of a United States Department of Homeland Security Fiscal Year 2008 Port Security Grant Program; 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 agreement with L-3 Communications Corp., Aviation Recorders Division, for the purchase, installation and maintenance of the aforementioned equipment, at an estimated cost of \$699,428; and it is further

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

AUTHORIZATION TO AWARD PORT SECURITY SUBGRANTS AS FIDUCIARY AGENT FOR THE U.S. DEPARTMENT OF HOMELAND SECURITY

It was recommended that the Board authorize the Executive Director to enter into agreements as may be necessary for the Port Authority, as Fiduciary Agent of the United States Department of Homeland Security (DHS), to award DHS Port Security sub-grants to sub-grantees for projects approved by the DHS and the Area Maritime Security Committee (AMSC) for the Port of New York and New Jersey and the Port of Albany (collectively, the Ports) for federal Fiscal Year (FY) 2009, FY 2010, and all future years, to the extent that the Port Authority continues to serve as Fiduciary Agent of DHS.

At its meeting of September 20, 2007, the Board authorized the Executive Director to enter into an agreement with DHS for the Port Authority to act as Fiduciary Agent of DHS to manage and administer Port Security grants for the Ports for FY 2007, with the award of sub-grants from those funds to be subject to further approval by the Board. On March 27, 2008, the Board authorized the Executive Director to enter into an agreement for the Port Authority to act as Fiduciary Agent of DHS with respect to Port Security grants for FY 2008 and future years, with the award of sub-grants subject to further Board approval. On November 20, 2008, the Board authorized the Executive Director to enter into agreements necessary to award the Port Security sub-grants for FY 2007 and 2008.

DHS has awarded Port Security grants to the Port Authority for FY 2009 and FY 2010, for the Port Authority to manage and administer as its Fiduciary Agent. One of the FY 2009 grants is for \$45,032,145 for projects in the Port of New York and New Jersey, and the second is for \$2,080,975 for projects in the Port of Albany. For FY 2010, one grant award is for \$33,839,223 for projects in the Port of New York and New Jersey, and the second grant is for \$1,042,987 for projects in the Port of Albany. The DHS and the AMSC, which the Port Authority chairs, have approved various projects for the Ports, which would be funded, in part, with these Port Security grant funds.

The projects to be implemented by the sub-grantees support security programs developed by the AMSC, are identified in the DHS-approved Port-Wide Strategic Risk Management Plan, and are structured so that a regional security consensus is achieved.

DHS's FY 2009 Port Security Grant Program requires a 25-percent cost share, which each sub-grantee would be required to contribute for that fiscal year. There is no local cost share requirement for DHS's FY 2010 Port Security Grant Program.

It is expected that all costs incurred by the Port Authority to manage and administer these sub-grant awards will be reimbursed from grant funds. The maximum management/administrative cost allowed for reimbursement ranges between three percent for FY 2009 grants and five percent for FY 2010 grants, of the respective total grant amount.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements as may be necessary for the Port Authority, as Fiduciary Agent of the United States Department of Homeland Security (DHS), to award DHS Port Security sub-grants to sub-grantees for projects approved by the DHS and the Area Maritime Security Committee for the Port of New York and New Jersey and the Port of Albany for federal Fiscal Years 2009, 2010 and all future years, to the extent that the Port Authority continues to serve as Fiduciary Agent of DHS; and it is further

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

REGIONAL ALLIANCE FOR SMALL CONTRACTORS, INC. – RENEWAL OF PARTICIPATION

It was recommended that the Board authorize the Executive Director to enter into a service contract with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a one-year period, starting January 1, 2011, with options to extend for up to two additional one-year periods, under which the Port Authority would: (1) obtain contractual services for the training and development of minority, women-owned and small and disadvantaged business enterprises (M/W/S/DBEs), at an estimated cost of \$285,000 per year, and M/W/DBE program oversight for aviation tenant construction projects, at an estimated cost of \$363,000 for the first year, escalated annually based on the Consumer Price Index, but not to exceed three percent per year; and (2) provide a rental credit of \$40,000 per year to offset the Regional Alliance's cost, estimated at \$64,000 per year, to rent office space at the Port Authority Bus Terminal (PABT), and to provide approximately 500 square feet of office space at John F. Kennedy International and Newark Liberty International Airports at no cost to the Regional Alliance, to perform aviation program oversight work for up to a three-year period. The PABT lease would continue to include a provision allowing for the recapture of space once retail redevelopment plans for the North Wing are finalized.

The Regional Alliance is a not-for-profit corporation formed to carry out a cooperative effort initiated by the Port Authority, with participation by other public agencies and private businesses, to increase the capacity of M/W/S/DBEs to bid on and perform public contracts. Through its array of training programs and other services, the Regional Alliance has been effective in increasing the growth of M/W/S/DBEs and their capacity to compete for larger contracts in both the public and private sectors of New York and New Jersey.

Port Authority participation in the Regional Alliance was authorized initially by the Board in 1990 for the training and development of M/W/S/DBEs, and has been renewed continually thereafter. In April 2005, the Board authorized a supplemental agreement expanding the scope of services to include M/W/DBE program oversight for aviation tenant construction projects.

Over the last three years, the Regional Alliance has assisted more than 3,000 M/W/S/DBE firms, and has offered more than 20 courses yearly in management, construction and business software training. Among its most subscribed offerings were a construction management certificate program taught at Pace University and a certificate course required by the Occupational Safety and Health Administration for all construction field staff. Furthermore, in 2009 they introduced a new seminar for design professionals entitled "Environmentally Sustainable Design," in partnership with New York University. The Regional Alliance also has partnered with institutions in New Jersey, such as the New Jersey Institute of Technology, to offer a series of construction management courses to New Jersey-based firms.

The Regional Alliance also has kept the M/W/S/DBE community abreast of opportunities at the World Trade Center site and at the Port Authority's airports, through a series of procurement forums, featured articles and announcements in its newsletter and through organized events held in conjunction with other regional entities. Sixty percent of the M/WBE construction contractors working on Port Authority projects over the last three years participated in Regional Alliance training or received one-on-one consultation services from Regional Alliance staff.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a service contract with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a one-year period starting January 1, 2011, with an option to extend for up to two additional one-year periods, under which the Port Authority would: (1) obtain contractual services for the training and development of minority, women-owned and small and disadvantaged business enterprises (M/W/S/DBEs), at an estimated cost of \$285,000 per year, and M/W/DBE program oversight for aviation tenant construction projects, at an estimated cost of \$363,000 for the first year, subject to escalation in the second and third years based on changes in the Consumer Price Index, but not to exceed three percent per year; and (2) provide a rental credit of \$40,000 per year to offset the Regional Alliance's cost to rent office space at the Port Authority Bus Terminal, and provide approximately 500 square feet of office space at John F. Kennedy International and Newark Liberty International Airports for Regional Alliance staff, at no additional cost, to perform aviation program oversight work for up to a three-year period; 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.

PRE-DEVELOPMENT SITE ACQUISITION PROGRAM – PURCHASE OF 2 MONTGOMERY STREET, JERSEY CITY, NEW JERSEY FROM TWO MONTGOMERY PROPERTY LLC

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement with Two Montgomery Property LLC for the purchase of real property (designated on the tax maps of Jersey City, New Jersey as Block 8.05, Lot C.01), which includes an approximate 177,000-square-foot office building, located at 2 Montgomery Street in Jersey City (Property); (2) incur costs and execute on behalf of the Port Authority other agreements with public and private entities involving, among other things, title reports, title insurance, appraisals and surveys, and environmental studies, necessary or incidental to such acquisition; (3) enter into agreements with contractors for the design and construction of building improvements at the Property; (4) pay Cushman & Wakefield (C&W) a brokerage commission in connection with the Property acquisition; and (5) assume the Metropolitan Life Insurance Company (MetLife) lease of space at the Property, which expires on April 30, 2011.

Port Authority staff retained C&W as its exclusive broker to identify potential office locations and negotiate the terms of a long-term lease or purchase of property. C&W conducted a comprehensive review of office space and buildings available for lease, as well as for purchase, within certain predefined parameters, and that effort concluded with its successful negotiation of a purchase of the Property.

The Property is located in very close proximity to the Exchange Place Port Authority Trans-Hudson (PATH) Station, which is one stop on the PATH system from the World Trade Center. The Port Authority's existing lease for the 147,000 square feet of office space that it currently occupies at One Madison Avenue in Manhattan expires in November 2011. Over the short term, the Property would replace the One Madison Avenue office space. Due to its proximity to Exchange Place and location directly over PATH rail lines, over the longer term, the Property may be developed for PATH or other transportation, transit-oriented uses, while also serving as supplemental office space to the Port Authority's future World Trade Center headquarters.

The office building located on the Property is a five-story, 177,000-square-foot building built in 1973 and extensively renovated in 1999. MetLife holds a leasehold interest in the Property, which expires on April 30, 2011 and has not been renewed by MetLife. MetLife does not currently occupy the Property. The MetLife lease would be assigned to the Port Authority, and the Port Authority may negotiate an early termination. Port Authority staff would occupy the top four floors of the building. The first floor may be leased to a third party for either office or retail use, until such time as the space is required for Port Authority use.

The purchase of the Property also would provide the Port Authority with future development rights that would have value for future development or sale. The Property has development rights for approximately an additional 380,000 square feet of buildable area. Given the alternative lease cost savings and future anticipated development of the Property for PATH or other transportation, transit-related purposes, the Property would be purchased under the Port Authority's Pre-development Site Acquisition Program.

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

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 with Two Montgomery Property LLC for the purchase of real property (designated on the tax maps of Jersey City, New Jersey as Block 8.05, Lot C.01), which includes an approximate 177,000-square-foot office building, located at 2 Montgomery Street in Jersey City (Property); (2) incur costs and execute on behalf of the Port Authority other agreements with public and private entities involving, among other things, title reports, title insurance, appraisals and surveys, and environmental studies, necessary or incidental to such acquisition; (3) enter into agreements with contractors for the design and construction of building improvements to the Property; (4) pay Cushman & Wakefield a brokerage commission in connection with the Property acquisition; and (5) assume the Metropolitan Life Insurance Company (MetLife) lease of space at the Property, which expires on April 30, 2011; all substantially in accordance with the terms reported to the Board; and it is further

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

PORT AUTHORITY E-ZPASS PROGRAM - ELIMINATION OF NON-REVENUE COMPONENT FOR PERSONAL USE

It was recommended that the Board authorize the elimination of the Non-Revenue component of the Port Authority's E-ZPass Program for Commissioners, all retirees, and non-represented active Port Authority employees for their personal use, including commutation purposes and personal use at Port Authority airports; excepting the use by those Port Authority employees continuously employed on and since September 11, 2001, for commutation only until such time as the Port Authority's corporate headquarters are re-established at the World Trade Center site. This exception recognizes the displacement of staff throughout the agency as a direct result of the terrorist attacks of September 11th, and the fact that normal commuting patterns were significantly altered and disrupted through staff reassignments to alternate work locations in New York and New Jersey due to the destruction of The World Trade Center, which was the corporate headquarters of the Port Authority.

It was further recommended that the Board authorize a review of penalties associated with the misuse of this Non-Revenue component.

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

RESOLVED, that the Port Authority's Non-Revenue E-ZPass Program shall be modified consistent with the terms presented to the Board.

TRIBUTE TO A. PAUL BLANCO

The Board of Commissioners, upon the retirement of Chief Financial Officer A. Paul Blanco, unanimously adopted the following resolution.

WHEREAS, from the time he joined The Port Authority of New York and New Jersey in September 1971 as an Accountant through his service as Comptroller, Chief Administrative Officer, Chief of Regional and Economic Development and, most recently, Chief Financial Officer since February 2005, Paul Blanco has been a dedicated public servant and has served in numerous key roles in his distinguished career; and

WHEREAS, as Chief Financial Officer, Paul Blanco committed himself to the highest standards of financial management, reporting, performance and achievement where he was responsible for the oversight of the agency's financial accounting and reporting activities, and insurance matters, as well as the agency's multi-billion dollar Budget and Capital Plan; and

WHEREAS, Paul Blanco has overseen the development of innovative financing techniques and numerous complex financing plans to enable the advancement of critical regional projects including the redevelopment of the World Trade Center site, the acquisition of Stewart International Airport, and the effectuation of major regional transportation projects including PATH's modernization program; the Goethals' Bridge modernization program; and various airport terminal and port facility projects; and

WHEREAS, Paul Blanco has been a driving force in the identification of agency-wide cost-effective budget strategies and procedures and organizational effectiveness and change management during the recent significant period of economic downturn and uncertainty, and has ensured that the agency's financial condition remained sound through various cost cutting measures and zero growth budgets, maintaining the reputation of the Port Authority to the financial community; and

WHEREAS, Paul Blanco has played a critical role in the development and implementation of an Enterprise Risk Management program throughout the agency to ensure its resiliency and sustainability into the future; and

WHEREAS, from 1998 to 2005, as Director of Economic Development and later Chief of Regional and Economic Development, Paul Blanco led the agency's regional and economic development programs, including the development of the South Hoboken Waterfront, Queens West Waterfront, industrial parks and the Ferry Transportation Program; and

WHEREAS, while providing oversight of the Office of Business and Job Opportunity, Paul Blanco inspired the development of Port Authority alliances with minority, women and small business enterprises (M/W/SBE) professional organizations, an increase in recruitment of certified firms, the funding of training and development programs, and the creation of creative loan and technical assistance programs, all of which resulted in a record breaking amount of Port Authority contract awards to the M/W/SBE business community and acclaim for the Port Authority as a leader in providing business and job opportunity to M/W/SBE firms; and

WHEREAS, following the events of September 11, 2001, Paul Blanco led the agency's interaction with the Federal agencies to secure funding for the Port Authority's efforts, initially with the Federal Emergency Management Agency (FEMA), securing over \$400 million in FEMA funding for emergency recovery efforts at the World Trade Center, to make ferry service

an integral component of the region's transportation network and to reduce vehicular congestion resulting from the loss of PATH service at the World Trade Center and Exchange Place stations, as well as subsequently overseeing the agency's interaction with many Federal agencies to provide in excess of \$2 billion in support of the Port Authority's businesses and projects; and

WHEREAS, during his 39 years of distinguished service, Paul Blanco has given the full measure of his time and talent to provide sound guidance and advice to staff and to encourage the development of staff throughout the agency, serving on various staff advisory groups and as a founding member of the Port Authority Hispanic Society, as well as a long-time member of the Port Authority and PATH Ethics Boards, serving as Chair of those Boards for more than 10 years; and

WHEREAS, as Chief Financial Officer, Paul Blanco has continued to ensure that the Port Authority maintains its exceptional record of receiving the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report, which is the highest form of recognition in governmental accounting and financial reporting, for which the agency has been a recipient for the past 26 years and for Distinguished Budget Presentation for its Annual Budget Book for the past two years; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, Paul Blanco was awarded the Port Authority's Robert F. Wagner Distinguished Public Service Medal in November 2007; and in April 2004 was a recipient of the James G. Hellmuth Unit Citation award for his work on the World Trade Center Loss Recovery Team, as well as the Tunnels, Bridges & Terminals Hazard Mitigation Grant Program; and

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey do hereby express to A. Paul Blanco their sincere appreciation for his service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to A. Paul Blanco as a token of the high esteem in which he is held by the Board and staff alike.

TRIBUTE TO FRANCIS J. LOMBARDI, P.E.

The Board of Commissioners, upon the retirement of Chief Engineer, Francis J. Lombardi, P.E., unanimously adopted the following resolution.

WHEREAS, from the time he joined The Port Authority of New York and New Jersey in June 1971 as a Civil Engineer through his appointment and service as Chief Engineer in September 1995, Frank Lombardi has been a dedicated public servant and his performance has exemplified the engineering excellence for which the Port Authority has long been known; and

WHEREAS, as the agency's Chief Engineer for the past 15 years, Frank Lombardi has overseen the planning, development and completion of critical construction projects in the region, including rail connectors to John F. Kennedy and Newark Liberty International Airports; airport terminal redevelopment projects; the Battery Park City Ferry Terminal; electronic toll collection at the Hudson River crossings; port channel deepening projects and ExpressRail facilities; and

WHEREAS, Frank Lombardi oversaw the development and implementation of various innovative engineering techniques during his tenure including protective coverings for the George Washington Bridge suspender ropes to enhance the safety and security of our facilities; and, most recently, the replacement of an asphalt runway with concrete for the John F. Kennedy International Airport's longest runway, the Bay Runway, which will increase the utility and efficiency of the runway for years to come; and

WHEREAS, from 1988 to 1991 in his role as Manager of Design for John F. Kennedy International Airport Redevelopment, Frank Lombardi played an instrumental role in the planning and design of an unprecedented airport redevelopment program which included the development of airport terminals, new parking garages and the new airport access rail link, now known as AirTrain JFK; and

WHEREAS, as Assistant Chief Engineer, Frank Lombardi was instrumental in the restoration of the World Trade Center following the February 26, 1993 bombing at the World Trade Center; and

WHEREAS, immediately following the events of September 11, 2001, as Chief Engineer, Frank Lombardi played a prominent role as part of the agency's crisis management team ensuring the well-being of staff and tackling the difficult challenges facing the agency, including oversight of a massive project for the restoration of PATH service to Exchange Place and lower Manhattan; and

WHEREAS, during his 39 years of distinguished service, Frank Lombardi has given the full measure of his time and talent to provide sound guidance and advice to staff and to encourage the development of staff throughout the agency; and

WHEREAS, during the course of his prestigious career, Frank Lombardi has demonstrated extraordinary leadership and gained the trust and respect of all who have come to know him within the agency and the engineering industry, and has mentored dozens of students in Engineering to help ensure the future of the industry; and

WHEREAS, Frank Lombardi was recently inducted as a Distinguished Member of the American Society of Civil Engineers and was also elected to the National Academy of Construction for his outstanding achievements and contributions to the engineering and construction industry; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, Francis J. Lombardi was awarded the Port Authority's Robert F. Wagner Distinguished Public Service Medal in 2007, was a recipient of the James G. Hellmuth Unit Citation for the restoration of PATH service to Exchange Place and lower Manhattan in 2004, was a recipient of an Exceptional Service Award as part of the Port Authority's Executive Level Crisis Management Team in 2002, and, in 1993, received the World Trade Center Award for Exceptional Service in connection with his work following the events of the 1993 World Trade Center bombing; and

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey do hereby express to Francis J. Lombardi their sincere appreciation for his service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Francis J. Lombardi as a token of the high esteem in which he is held by the Board and staff alike.

TRIBUTE TO JOHN D. BRILL

The Board of Commissioners upon the retirement of John D. Brill, Director, Audit Department unanimously adopted the following resolution.

WHEREAS, from the time he joined the Port Authority of New York and New Jersey in November 1970 as an Auditor to his appointment as Director, Audit Department, in June 1996, John D. Brill has been a dedicated public servant and has served with great pride and distinction throughout his 40 year career; and

WHEREAS, as a certified internal auditor and fraud examiner, John Brill has held a series of management positions in the internal audit and investigations areas of the agency, including Assistant Inspector General and as Manager in the Port Commerce Department; and

WHEREAS, over the course of his distinguished career, John Brill has committed himself and his department to the highest standards of excellence in the management of the agency's audit function, ensuring the Audit Department's continuing high quality and performance through external peer reviews; and

WHEREAS, John Brill has guided the agency in achieving its business objectives by bringing an independent, analytical and highly disciplined approach to evaluating and improving the effectiveness of internal controls and the management of agency risk and assets; and

WHEREAS, John Brill has developed innovative solutions to improve the performance of the agency, including reviews of business processes, systems and operations, as well as the examination of the records of tenants and contractors doing business with the Port Authority, to limit agency risk and protect agency assets which has resulted in the recovery of in excess of \$200 million to the agency; and

WHEREAS, during his distinguished service, John Brill has given the full measure of his time and talent and has provided sound audit advice to staff throughout the agency; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, John D. Brill, has served as a member of the Association of Certified Fraud Examiners, and has served numerous prestigious roles with the Institute of Internal Auditors, including member of the New York Board of Governors and past President of the New York Chapter, and was awarded the New York Chapter's Distinguished Leader Award in 1999 for his service to the chapter and to the internal auditing profession; and

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to John D. Brill their sincere appreciation for his service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to John D. Brill as a token of the high esteem in which he is held by the Board and staff alike.

Whereupon, the meeting was adjourned.

Secretary