

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES**

**Thursday, October 18, 2012**

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, October 18, 2012 at 225 Park Avenue South, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. David Samson, Chairman  
 Hon. Richard H. Bagger  
 Hon. Raymond M. Pocino  
 Hon. Anthony J. Sartor  
 Hon. William P. Schuber

**NEW YORK**

Hon. Scott H. Rechler, Vice-Chairman  
 Hon. H. Sidney Holmes III  
 Hon. Jeffrey H. Lynford  
 Hon. Jeffrey A. Moerdler  
 Hon. Rossana Rosado  
 Hon. James P. Rubin

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

Susan M. Baer, Director, Aviation  
 Steven J. Coleman, Deputy Director, Media Relations  
 Stephanie E. Dawson, Acting Chief Operating Officer  
 Gerard A. Del Tufo, Assistant Director of Development and Operations, Real Estate and Development  
 John C. Denise, Audio Visual Supervisor, Marketing  
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director  
 John J. Drobny, Director, Security Projects, Office of the Chief Operating Officer/Co-Director, Security Transition Office/Acting Director, Security, World Trade Center  
 Michael G. Fabiano, Chief Financial Officer  
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police  
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals  
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs  
 Linda C. Handel, Deputy Secretary  
 Mary Lee Hannell, Director, Human Resources  
 Andrew T. Hawthorne, Director, Marketing  
 Anthony Hayes, Manager, Media Planning, Media Relations  
 Mark D. Hoffer, Director, New Port Initiatives, Port Commerce  
 Howard G. Kadin, Esq., Law  
 Kirby King, Director, Technology Services  
 Rudolph L. King, Assistant Information Officer, Media Relations  
 Stephen Kingsberry, Acting Director, Rail Transit  
 Richard M. Larrabee, Director, Port Commerce  
 Michael E. Lavery, Senior External Relations Client Manager, Government and Community Affairs  
 John H. Ma, Chief of Staff to the Executive Director  
 Lisa MacSpadden, Director, Media Relations  
 Stephen Marinko, Esq., Law  
 Ron Marsico, Assistant Director, Media Relations, Public Affairs  
 Daniel G. McCarron, Comptroller  
 James E. McCoy, Manager, Board Management Support, Office of the Secretary  
 Anne Marie C. Mulligan, Treasurer

Edward S. Nathan, Assistant Director of Planning and Project Development, Real Estate and Development  
Patrick B. O'Reilly, Senior Advisor to the Chairman  
Ann O'Rourke, Assistant Director, Government and Community Affairs  
Jared Pilosio, Staff External Relations Representative, Government and Community Affairs  
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction  
Richard J. Rebisz, Senior External Relations Representative, Government and Community Affairs  
Alan L. Reiss, Deputy Director, World Trade Center Construction  
John Ryan, Acting Chief, Public Safety  
Gerald B. Stoughton, Director, Financial Analysis  
Robert A. Sudman, Director, Audit  
Ralph Tragale, Assistant Director, Public Affairs, Aviation  
David B. Tweedy, Chief, Capital Programs  
I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office  
Lillian D. Valenti, Director, Procurement  
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary  
Peter J. Zipf, Chief Engineer

Guests:

Nicole Crifo, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey  
Regina Egea, Director, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Robin Beck, UNITE HERE  
Murray Bodin, Member of the Public  
Margaret Donovan, Twin Towers Alliance  
Kalev Savi, Member of the Public

The public meeting was called to order by Chairman Samson at 1:51 p.m. and ended at 2:09 p.m. The Board met in executive session prior to the public session.

### **Action on Minutes**

The Secretary submitted for approval Minutes of the meeting of September 20, 2012. 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 September 21, 2012. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on October 5, 2012.

Whereupon, the Board unanimously approved the Minutes of the meeting of September 20, 2012.

### **Report of Committee on Security**

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on October 18, 2012, which included discussion of matters involving external or internal investigations or audits, and 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 and action taken in public session at its meeting on October 18, 2012, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and discussion of an item for the purchase of public liability insurance, and the report was received.

### **Report of Committee on Operations**

The Committee on Operations reported, for information, on matters discussed and action taken in public session at its meeting on October 18, 2012, which included discussion of an amendment to a Memorandum of Agreement for the acquisition of certain property in New Jersey as part of the Hudson-Raritan Estuary Resources Program, a discussion of staff overtime results for the third quarter 2012, and an update on ongoing initiatives to enhance transparency, and the report was received.

### **Report of World Trade Center Redevelopment Subcommittee**

The World Trade Center (WTC) Redevelopment Subcommittee reported, for information, on matters discussed in executive and public sessions at its meeting on October 18, 2012, which included discussion of matters involving ongoing negotiations or review of contracts or proposals, and discussion of a contract in connection with the retail development at the World Trade Center site, and an item that authorizes additional funding for the design and construction of the WTC Transportation Hub, and the report was received.

### **Report of Committee on Capital Planning, Execution and Asset Management**

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in public session at its meeting on October 18, 2012, which included discussion of a project for the rehabilitation of a portion of Taxiway P and the implementation of related delay reduction infrastructure improvements at Newark Liberty International Airport, and the report was received.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – REHABILITATION OF TAXIWAY P AND IMPLEMENTATION OF DELAY REDUCTION AND OTHER INFRASTRUCTURE IMPROVEMENTS – PROJECT AUTHORIZATION**

It was recommended that the Board authorize: (1) a project, at an estimated total project cost of \$31.5 million, for: (a) the rehabilitation of Taxiway P at Newark Liberty International Airport (EWR), to maintain a state of good repair; (b) the completion of two new delay reduction high-speed taxiways; (c) the completion of the realignment of two additional taxiways, to facilitate airport delay reductions; (d) upgrades of lighting, electrical systems and taxiway markings, to meet the latest standards of the Federal Aviation Administration (FAA); (e) work necessary to resolve “ponding” issues in the Aeronautical Operations Area (AOA), in connection with FAA certification of the AOA; and (f) installation of portions of electrical infrastructure in support of the Runway Status Lights Program developed by the FAA; and (2) the Executive Director to award Contract EWR-154.119 to construct the state-of-good-repair and delay reduction improvement work in connection with the foregoing project, at a total estimated construction cost of \$20.6 million.

Taxiway P is 10,500 feet long and handles approximately 190,000 aircraft operations annually. The last resurfacing of the taxiway was completed in 2002. Based on inspections, it has been determined that 6,500 feet of the existing surface pavement has deteriorated due to normal age-related wear, settlement and weathering, and requires rehabilitation in order to maintain a state of good repair. This portion of Taxiway P would be milled and paved with modified asphalt concrete.

At its meeting of December 8, 2011, the Board authorized a project for the rehabilitation of Runway 4R-22L at EWR, which included the partial realignment of the two existing Taxiways AA and L and the partial construction of two new high-speed taxiway exits from Runway 4R-22L, with the understanding that authorization for work on remaining portions of the existing taxiways and new taxiway exits would be sought in connection with the proposed Taxiway P project. The realignment of the existing taxiways would allow pilots better viewing of the runway when waiting to enter or cross the runway, and would improve fillets to allow planes to make turns more easily.

The currently proposed project also would include rehabilitation of the entire length of Taxiway P’s guidance signs, pavement markings, taxiway lights and associated electrical infrastructure, in order to comply with the latest FAA standards, as well as correction of AOA ponding in the vicinity of Taxiway P and related site work. In addition, duct banks, hand holes and lighting fixtures would be installed along Taxiway P, as part of the Runway Status Lights Program.

Bids for the contract work would be solicited by a publicly advertised Request for Qualification, with award to the lowest qualified bidder. Completion of these delay reduction initiatives at EWR would reduce runway occupancy times on arrivals, increase the efficiency of ground operations and decrease aircraft fuel consumption and emissions.

Although the project costs are fully recoverable through the EWR Flight Fee Agreement, it is anticipated that most of these costs would be recoverable via Passenger Facility Charges.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, Sartor and Schuber voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a project for: (1) the rehabilitation of Taxiway P at Newark International Airport (EWR), to maintain a state of good repair; (2) the construction of two new delay reduction high-speed taxiways; (3) the completion of the realignment of two additional taxiways, to facilitate airport delay reductions; (4) upgrades of lighting, electrical systems and taxiway markings, to meet the latest standards of the Federal Aviation Administration (FAA); (5) work necessary to resolve “ponding” issues in the Aeronautical Operations Area (AOA), in connection with FAA certification of the AOA; and (6) installation of portions of electrical infrastructure in support of the Runway Status Lights Program developed by the FAA, all at an estimated total project cost of \$31.5 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 award Contract EWR-154.119 to construct the state-of-good-repair and delay reduction improvement work in connection with the foregoing project, at a total estimated construction cost of \$20.6 million; 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 documents and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

**DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER  
TRANSPORTATION HUB – PROJECT RE-AUTHORIZATION AND  
EXECUTION OF AGREEMENT WITH THE FEDERAL TRANSIT  
ADMINISTRATION**

It was recommended that the Board: (1) re-authorize the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total project cost range of approximately \$3.74 billion to \$3.995 billion; (2) authorize an additional estimated amount of \$95 million for financial expense; (3) ratify the action of the Executive Director in executing an agreement with the Federal Transit Administration (FTA) to increase federal funding for the WTC Hub Project to a maximum amount of \$2.872 billion; and (4) authorize the Executive Director to: (a) enter into other agreements necessary to comply with applicable FTA requirements; and (b) increase the amounts of existing construction contracts necessary to implement the WTC Hub Project, subject to the approval of the Vice-Chairman, consistent with the terms outlined to the Board.

At its February 24, 2011 meeting, the Board authorized a revised budget for the WTC Hub Project, at a total estimated project cost of \$3.44 billion. In addition, the FTA previously has formally committed \$1.921 billion of federal funding toward the cost of the WTC Hub Project, as part of an existing Construction Agreement executed with the Port Authority in 2006.

The proposed action would re-authorize the WTC Hub Project within an estimated cost range of approximately \$3.74 billion to \$3.995 billion, consistent with the range of cost estimates identified both in a project risk assessment performed by the Federal Transit Administration and an independent assessment conducted by Navigant Consulting Inc. as part of its comprehensive review and assessment of the Port Authority.

In connection with the increase in federal funding for the WTC Hub Project to \$2.872 billion, the FTA required the Port Authority to enter into a Revised and Restated Construction Agreement (RRCA) with the FTA. The RRCA needed to be executed prior to September 14, 2012, so that the funds could be secured prior to the closing of the FTA fiscal year budget. The RRCA mandates a maximum WTC Hub Project budget of \$3.995 billion, and a required project completion date by December 2015, each based on FTA's project risk assessment.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Pocino, Rechler, Rosado, Rubin and Schuber voting in favor; Commissioners Samson and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a project to design and construct the World Trade Center Transportation Hub (WTC Hub), at an estimated total project cost range of approximately \$3.74 billion to \$3.995 billion, be and it hereby is re-authorized; and it is further

**RESOLVED**, that an additional estimated amount of \$95 million for financial expense in connection with the WTC Hub Project be and it hereby is authorized; and it is further

**RESOLVED**, that the action of the Executive Director, for and on behalf of the Port Authority, in executing an agreement with the Federal Transit Administration (FTA) to increase federal funding for the WTC Hub Project to a maximum amount of \$2.872 billion be and it hereby is ratified; 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 other agreements necessary to comply with applicable FTA requirements; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase the amounts of existing construction contracts necessary to effectuate the WTC Hub Project, subject to the approval of the Vice-Chairman, consistent with the terms outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take 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.

**WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR CORTLANDT WAY FIT-OUT**

It was recommended that the Board authorize the Executive Director to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, with T.B. Penick & Sons, Inc., for the fit-out of the Cortlandt Way pedestrian plaza of the World Trade Center (WTC) site retail development, at an estimated total cost of \$11,194,740, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, PA Retail Newco LLC, and is associated with the pre-tenant fit-out phase of the WTC retail project.

Via several prior actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site. On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount includes the proposed construction trade contract.

On February 9, 2012, the Board authorized a transaction between the Port Authority and Westfield America, Inc. (Westfield) in which New WTC Retail Member LLC, a limited liability company owned by Westfield, and PA Retail Newco LLC formed a 50/50 joint venture to develop, lease and operate the WTC retail development project. The Board also, among other things, re-authorized the project to design and construct the WTC retail development, at an estimated amount of \$1.966 billion.

The scope of work under this proposed construction trade contract includes the furnishing and installation of all Cortlandt Way fit-out work, involving site preparation work, tree well covers, stone pavers, stone stairs, cobble pavers, handrails, stone retaining walls, stone cladding, trees, mulch, irrigation, drainage, and future special events infrastructure necessary to satisfy requirements for the WTC retail project areas located at grade between Tower 3 and Tower 4, and between Greenwich and Church Streets. This work is the responsibility of the Port Authority and its wholly owned entity PA Retail Newco LLC.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and T.B. Penick & Sons, Inc. was the lowest qualified bidder. The proposed contract with T.B. Penick & Sons, Inc. would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson and Schuber voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entity, PA Retail Newco LLC, to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, with T.B. Penick & Sons, Inc., for the fit-out of the Cortlandt Way pedestrian plaza of the World Trade Center site retail development, at an estimated total cost of \$11,194,740, inclusive of an eight-percent allowance for extra work; and it is further

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

Whereupon, the meeting was adjourned.

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Secretary