

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, October 22, 2009

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, October 22, 2009 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. Henry R. Silverman, Vice-Chairman
 Hon. Michael J. Chasanoff
 Hon. Stanley E. Grayson
 Hon. H. Sidney Holmes, III

Christopher O. Ward, Executive Director
 Susan Bass Levin, Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Susan M. Baer, Director, Aviation
 A. Paul Blanco, Chief Financial Officer
 Ernesto L. Butcher, Chief Operating Officer
 Arthur J. Cifelli, Deputy Director, Public Safety/Deputy Superintendent of Police
 Steven J. Coleman, Assistant Director, Media Relations, Public Affairs
 Arpan Dasgupta, Executive Assistant to the Deputy Executive Director
 Joseph DellaBarca, Special Purchase Project Manager, Procurement
 John C. Denise, Audio Visual Supervisor, Public Affairs
 Michael P. DePallo, Director, Rail Transit
 Francis A. DiMola, Director, Real Estate Services
 Sandra E. Dixon, State Legislative Representative, Government and Community Affairs
 Michael P. Dombrowski, Cinematographer, Public Affairs
 John J. Drobny, Director, Security Projects
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Michael B. Francois, Chief, Real Estate and Development
 Richard Friedman, Senior Advisor to the Executive Director
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Howard G. Kadin, Esq., Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Kevin J. Kirchman, Director, Marketing and Special Events
 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
 Candace McAdams, Acting Chief, Public and Government Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Sanjay S. Mody, Advisor to the Chairman

Christopher J. Mohr, Senior Board Management Support Specialist, World Trade Center Construction

Anne Marie C. Mulligan, Treasurer

Lynn A. Nerney, Senior Business Manager, Office of the Secretary

Summer Oesch, Special Assistant, Deputy Executive Director

Steven P. Plate, Director, World Trade Center Construction

Alan L. Reiss, Deputy Director, World Trade Center Construction

Gerald B. Stoughton, Director, Office of Financial Analysis

Ralph Tragale, Assistant Director, Government and Community Relations

I. Midori Valdivia, Leadership Fellow, Human Resources

Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary

Andrew S. Warshaw, Chief of Staff to the Executive Director

Peter J. Zipf, Deputy Chief Engineer/Director of Engineering

Speaker:

Ed Luster, President, Communications Workers of America, Local 1102

The public meeting was called to order by Chairman Coscia at 1:44 p.m. and ended at 2:02 p.m. Vice-Chairman Silverman was present for a portion of the public meeting. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meetings of September 10, 2009 and September 24, 2009. She reported that copies of these Minutes were delivered in electronic form to the Governors of New York and New Jersey on September 11, 2009 and September 25, 2009, respectively. She reported further that the time for action by the Governors of New York and New Jersey expired at midnight on September 25, 2009 and October 9, 2009, respectively.

Whereupon, the Board of Commissioners unanimously approved the Minutes of the meetings of September 10, 2009 and September 24, 2009.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in public session at its meeting on October 22, 2009, which included discussion of an item for the purchase of public liability insurance for the Port Authority and its wholly owned entities and a review of the Port Authority's investment portfolio results, and the report was received.

Report of Committee on Capital Programs/Agency Planning

The Committee on Capital Programs/Agency Planning reported, for information, on matters discussed in public session at its meeting on October 22, 2009, which included discussion of an item for planning work in connection with the redevelopment of Terminal A at Newark Liberty International Airport, 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 22, 2009, which included discussion of an item to acquire certain property located in Hammels (Rockaway Beach), New York as part of the Port Authority's Hudson-Raritan Estuary Resources Program, and an item for new leases at Newark Liberty International Airport as part of the third phase of the Terminals A and B Concessions program, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public session at its meeting on October 22, 2009, which included discussion of a contract award for mezzanine and upper level improvements to Terminal B as a part of the Newark Liberty International Airport Terminal B Modernization Program, 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 public and executive sessions at its meeting on October 22, 2009, which included discussion of a project for Phase II of the WTC Streets, Utilities and Related Infrastructure Program, various contracts and agreements for the advancement of design and construction activities in connection with the redevelopment of the WTC site, 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 matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL A
REDEVELOPMENT – PROGRAM PHASE II – PLANNING AUTHORIZATION**

It was recommended that the Board authorize Phase II planning work for the modernization and redevelopment of Terminal A and related facilities at Newark Liberty International Airport (EWR), at an estimated cost of \$30 million, bringing the total authorized planning costs associated with these efforts to \$50 million, all of which costs are eligible for reimbursement via Passenger Facility Charges.

The existing Terminal A, which opened for air passenger traffic in 1973, no longer meets the standards of a modern airport in terms of passenger queuing and interior circulation space, hold room sizes, concession space and locations, vertical circulation, passenger and baggage screening facilities and roadway frontage for terminal access. The terminal's airside elements are also constrained: taxiways and gates are too small to support next generation aircraft, gate availability is limited and aircraft parking is inadequate. In addition, the electrical, mechanical and plumbing systems serving the building are nearing the end of their useful lives.

At its meeting of May 20, 2004, the Board authorized Phase I of the Terminal A Redevelopment Program, at a total estimated cost of \$20 million. Phase I focused on planning for terminal and related facility improvements, including additional aircraft gate positions necessary to accommodate the forecasted growth in air passengers at an acceptable level of service and to foster federally mandated initiatives to expand airline competition at the airport. These efforts included: Needs Assessments and Capacity Analysis, Conceptual Design and Alternatives Analysis, Preliminary Design and Phasing Analysis, Financial and Business Model Analysis, Environmental and Sustainable Strategies Analysis and Airport Access Analysis, and resulted in a recommendation to proceed with the long-term development of a new terminal and its associated infrastructure, to support both near-term passenger demand and the long-term forecasted passenger volumes.

The requested authorization would advance Phase II planning work, including continued negotiations with the airlines on business model alternatives, fees and charges, economic feasibility and terminal functional and performance criteria. Phase II also would include refinement of a master site plan, continued value planning and engineering, formulation of a new terminal basis of design report, preliminary contract package definition for airside, landside and infrastructure/utility improvements, continued environmental assessments and program integrated scheduling and cost estimating.

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

RESOLVED, that Phase II planning work for the modernization and redevelopment of Terminal A and related facilities at Newark Liberty International Airport, at an estimated cost of \$30 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 contracts for

professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning work, pursuant to authority granted in the By-Laws or other resolutions 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, NEWARK LIBERTY INTERNATIONAL, LAGUARDIA, AND STEWART INTERNATIONAL AIRPORTS – AUTHORIZATION TO SUBMIT ADDITIONAL PROJECTS AS PART OF THE APPLICATION TO THE FEDERAL AVIATION ADMINISTRATION TO EXTEND COLLECTION AND USE OF PASSENGER FACILITY CHARGES

It was recommended that the Board authorize the Executive Director to submit two additional projects as part of the previously authorized application to the Federal Aviation Administration (FAA), to include \$30 million associated with Phase II planning and engineering work for the Newark Liberty International Airport (EWR) Terminal A project, and to recover up to \$300 million in costs associated with the rehabilitation and widening of Runway 13R-31L at John F. Kennedy International Airport (JFK) through the collection and use of Passenger Facility Charges (PFCs).

Pursuant to the Aviation Safety and Capacity Expansion Act of 1990 and the Wendell H. Ford Aviation Investment and Reform Action for the 21st Century (AIR-21), the Port Authority may impose a PFC of \$4.50 per departing passenger and use the proceeds to fund eligible airport-related projects, after receiving FAA approval. At its meeting of March 20, 2003, the Board authorized the Executive Director to submit applications to the FAA for authority to impose and use a PFC of \$4.50 for projects at EWR, JFK and LaGuardia Airport (LGA). Projects funded through PFCs have included JFK Access/AirTrain, EWR AirTrain Northeast Corridor, EWR Landside Access, and a variety of airside capacity, terminal capacity, and security projects at EWR, JFK, and LGA.

On January 22, 2009, the Board authorized an application to incorporate Stewart International Airport (SWF) into the Port Authority's PFC collection authority and to impose and use PFCs at the \$4.50 level for certain new projects, in a total amount of up to \$312.8 million, that enhance airside capacity and reduce delays, enhance terminal capacity and increase competition and improve security at JFK, EWR, LGA, and SWF, and to extend the collection authority through the third quarter of 2012. The proposed authorization would augment the previously authorized project application, as outlined below.

The projects to be funded under this authorization would include: (1) up to \$30 million for the Phase II planning and engineering work for the Terminal A project at EWR, which involves preliminary engineering design, master site plan, business model and program plan development, detailed cost estimates, schedules and environmental assessment; and (2) up to \$300 million for the complete rehabilitation and widening of Runway 31R-31L at JFK, including the concrete reconstruction of the existing asphalt runway and widening of the runway from 150 feet to 200 feet, installation of new lighting infrastructure, widening of taxiway intersections and creation of new runway access taxiways near the runway ends.

Since 1992, the Port Authority has been granted FAA approval for the collection of PFCs totaling \$2.579 billion for projects at JFK, LGA and EWR airports. In January 2006, the FAA approved the most recent application authorized by the Board in March 2003, for the implementation of PFC-eligible projects with a total value of approximately \$820 million and an increase in the collection level to \$4.50.

Together with the these two new projects, the PFC request would be for a total amount up to \$642.8 million, increasing the agency's total collection authority to \$3.22 billion. The application process will commence in the third quarter of 2009, and the application would be formally submitted to the FAA during the fourth quarter of 2009.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Chasanoff, Coscia, Grayson, Holmes, Pocino, Sartor 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 add two additional projects to the application to the Federal Aviation Administration to impose and use a Passenger Facility Charge at the \$4.50 level, authorized by the Board on January 22, 2009, to cover \$30 million associated with Phase II planning and engineering work for the Newark Liberty International Airport Terminal A project, and to recover up to \$300 million in costs associated with the rehabilitation and widening of Runway 13R-31L at John F. Kennedy International Airport; and it is further

RESOLVED, that the form of the foregoing applications, amendment or other request shall be subject to the approval of General Counsel or his authorized representative.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINALS A AND B –
CONCESSIONS PROGRAM – PHASE THREE – NEW LEASE AGREEMENTS
(ANC-088 THROUGH ANC-092)**

It was recommended that the Board authorize the Executive Director to enter into five new concessions leases, constituting Phase Three of the concessions program for Terminals A and B at Newark Liberty International Airport (Airport). Phase Three would cover the leasing of approximately 8,965 square feet of space for the operations of various concession establishments in Terminal B.

On July 26, 2007, the Board authorized the Executive Director to enter into a management agreement with Westfield Concessions Management, LLC (Westfield) for the management of the retail and food and beverage concessions at, and loading dock and storage facilities for, Terminals A and B at the Airport. That agreement was entered into for a seven-year term, which expires on August 31, 2014. The implementation of the concessions program is a multi-phase process. Phase One, which involved 14 leases, was authorized by the Board on June 30, 2008. Phase Two, which involved 12 leases, was authorized by the Board on June 25, 2009. Phase Three would consist of five leases for six spaces, all in Terminal B.

Each concessionaire would be obligated to pay the greater of a minimum annual guaranteed rent (MAG) or percentage rent based on the gross receipts of the concessionaire's operation. In addition, the concessionaires would pay an additional promotion fee over the lease term. The concessionaires would be obligated to make an initial capital investment in connection with their occupancy of the leased premises, as well as a mid-term refurbishment investment. The Port Authority would retain the right to terminate the leases on 30 days' notice, without cause, in which event the Port Authority would be obligated to reimburse the concessionaires for their respective unamortized capital investments. The various lease terms would range from seven to ten years.

Specific material terms of the concessions leases are as follows:

EJE RETAIL, LLC d/b/a EJE Accessories - Lease ANC-088

EJE Retail, LLC d/b/a EJE Accessories would lease approximately 1,655 rentable square feet (rsf) of space in Terminal B for a specialty retail operation. The term of the letting would be for seven years from the Date of Beneficial Occupancy (DBO), commencing on or about August 10, 2010. The aggregate rental over the term of the lease would be approximately \$805,000 in MAG, in addition to the promotion fee.

MIDFIELD CONCESSION ENTERPRISES, INC. d/b/a Sora Japanese Cuisine and Sushi Bar – Lease ANC-089

Midfield Concession Enterprises, Inc. d/b/a Sora Japanese Cuisine and Sushi Bar would lease approximately 2,460 rsf of space in Terminal B for a casual dining operation. The lease term would be for ten years from the DBO, commencing on or about September 9, 2010. The aggregate rental over the lease term would be approximately \$1,020,000 in MAG, in addition to the promotion fee.

EJE RETAIL, LLC d/b/a Thomas Pink & Tag Heuer – Lease ANC-090

EJE Retail, LLC d/b/a Thomas Pink & Tag Heuer would lease approximately 1,144 rsf of space in Terminal B for a specialty retail operation. The lease term would be for seven years from the DBO, commencing on or about August 10, 2010. The aggregate rental over the lease term would be approximately \$668,500 in MAG, in addition to the promotion fee.

MIDFIELD CONCESSION ENTERPRISES, INC. d/b/a Mediterranean Bistro and EWR Express – Lease ANC-091

Midfield Concession Enterprises, Inc. d/b/a Mediterranean Bistro and EWR Express would lease approximately 2,420 rsf of space for the operation of a food and beverage concession in Terminal B. The term of the letting would be for seven years from the DBO, commencing on or about September 9, 2010. The aggregate rental over the term of the lease would be approximately \$756,000 in MAG, in addition to the promotion fee.

MIDFIELD CONCESSION ENTERPRISES, INC. d/b/a The Counter Burger – Lease ANC-092

Midfield Concession Enterprises, Inc. d/b/a The Counter Burger would lease approximately 1,286 rsf of space for the operation of a food and beverage concession in Terminal B. The term of the letting would be for seven years from the DBO, commencing on or about September 9, 2010. The aggregate rental over the term of the lease would be approximately \$1,470,000 in MAG, in addition to the promotion fee.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Chasanoff, Coscia, Grayson, Holmes, Pocino, Sartor 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 the five concessions lease agreements set forth above, for a total of approximately 8,965 square feet of space in Terminal B at Newark Liberty International Airport, substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

**TETERBORO AIRPORT – AGREEMENT WITH THE COUNTY OF BERGEN,
NEW JERSEY FOR THE RELOCATION OF REDNECK AVENUE**

It was recommended that the Board authorize the Executive Director to enter into an agreement with the County of Bergen, State of New Jersey (County), in connection with the relocation of a portion of Redneck Avenue, a County public road that resides on Port Authority property at Teterboro Airport (Teterboro). The agreement would provide for the following: (1) County approval of the Port Authority's design and construction of the relocated portion of Redneck Avenue; (2) the County would grant permission to the Port Authority to enter upon and use certain property owned by the County for the purpose of accomplishing the relocation work; (3) prior to commencement of construction of the new roadway, the Port Authority would grant the County a perpetual easement for a new roadway; (4) upon completion of construction, the County would vacate the existing roadway; (5) upon completion and inspection of the new roadway, the County would accept the new roadway; (6) a two-year maintenance guarantee by the Port Authority for the new roadway; and (7) the Port Authority would indemnify the County for any damages, losses, claims and liabilities arising out of the roadway relocation work.

At its meeting of March 29, 2007, the Board authorized a project for the installation of an Engineered Material Arresting System (EMAS) at the south end of Teterboro's Runway 1-19, including the relocation of a portion of Redneck Avenue in order to provide adequate space for the installation of the EMAS. The portion of Redneck Avenue that will be relocated is located on Port Authority property at Teterboro. The relocated road also will reside on Port Authority property at Teterboro. The County has a roadway easement in the existing roadbed of Redneck Avenue, acquired from the Borough of Moonachie on April 17, 1946. This existing roadway will be vacated and abandoned as public highway by an ordinance passed by the affirmative vote of a majority of all the members of the County Board of Chosen Freeholders.

The proposed agreement would allow for the implementation of the EMAS installation in compliance with the Federal Aviation Administration-required and federally mandated safety area improvements for federally funded airports. The new roadway bed would enhance traffic flow and roadway safety for the community.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the County of Bergen, State of New Jersey (County), regarding property interests and the respective responsibilities of the Port Authority and the County in connection with the relocation of a portion of Redneck Avenue, a County public road that resides on Port Authority property at Teterboro Airport, as outlined above; and it is further

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

DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER (WTC) VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY, EASTSIDE TOUR BUS PARKING FACILITY, WEST BATHTUB VEHICULAR ACCESS AND WTC STREETS, UTILITIES AND RELATED INFRASTRUCTURE PROJECTS – CONSTRUCTION MANAGEMENT SERVICES

It was recommended that the Board authorize the Executive Director to enter into an agreement with Tishman Construction Corporation (Tishman), to provide for construction management services to support the implementation of the World Trade Center (WTC) Vehicular Security Center and Tour Bus Parking Facility (VSC), Eastside Tour Bus Parking Facility, West Bathtub Vehicular Access and WTC Streets, Utilities and Related Infrastructure (Streets) Projects for a 48-month term, at an estimated amount of \$40.8 million. The agreement also would provide for two one-year extension options, exercisable at the discretion of the Port Authority, at an additional estimated amount of \$6.5 million.

On January 25, 2007 and July 23, 2009, the Board authorized the award of construction management support services contracts to Tishman and Tishman/Turner, a joint venture of Turner Construction Company and Tishman, for the One World Trade Center and the WTC Transportation Hub Projects, respectively. Tishman's involvement with those projects affords the agency the leverage to aggressively procure more favorable contract terms and potential savings. The retention of a firm other than Tishman for the proposed construction management services agreement would cause delays resulting from the inability to provide the Port Authority with immediate knowledge of the current WTC site construction projects, geographic constraints, operational necessities and overall construction environment.

Under the proposed authorization, Tishman would provide a variety of services pursuant to the construction management agreement, including design management, estimating, scheduling, expediting, safety monitoring, contract packaging and project coordination, procurement, contract administration, financial, facility planning, project close-out, general administration and quality assurance.

The completed WTC VSC will enable below-grade vehicular access to the WTC site, including a security center for the screening of vehicles, such as tour buses and other service vehicles, that will support the operation of the WTC Transportation Hub and the various facilities at the WTC site, to ensure sufficient long-term operations at the site. The Eastside Tour Bus Parking Facility Project includes parking for buses that will be located below-grade in the East Bathtub portion of the site located beneath the WTC Transportation Hub and the New York City Transit #1 Line subway. The roadways will be integrated with the South Bathtub and will support West Bathtub vehicular access, which is also included in this authorization, to facilitate "first responder" vehicles and "black car" access to One World Trade Center. The WTC Streets Program, which has been divided into three distinct phases, will provide for the restoration of streets and sidewalks, the implementation of traffic control measures, and the development of public space within and around the WTC site.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement with Tishman Construction Corporation (Tishman), to provide for construction management services to support the implementation of the World Trade Center (WTC) Vehicular Security Center and Tour Bus Parking Facility, Eastside Tour Bus Parking Facility, West Bath tub Vehicular Access and WTC Streets, Utilities and Related Infrastructure Projects for a 48-month term, at an estimated amount of \$40.8 million; and (2) exercise two one-year extension options to the foregoing agreement, at his discretion, at an additional estimated amount of \$6.5 million; and it is further

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

DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER STREETS, UTILITIES AND RELATED INFRASTRUCTURE – PHASE II – FINAL STREETS AND SIDEWALK SURFACES, STREETScape ELEMENTS AND OPEN SPACES – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project to advance final design and construction of Phase II of the World Trade Center (WTC) Streets, Utilities and Related Infrastructure Program (Streets Program), at an estimated amount of \$140 million; and (2) the Executive Director to exercise an option in an existing contract with Downtown Streetscape Partners (DSP) to provide expert professional architectural and engineering services for associated portions of the final design and construction of Phase II of the Streets Program, at an estimated amount of \$5 million, which is reflected in the total project cost.

Overall Streets Program

Under prior authorizations through December 14, 2006, the Board authorized up to \$10 million in planning work for the preliminary design of the Streets Program. The overall Streets Program would support the future development and restoration of streets and sidewalks within and at the perimeter of the WTC site, and would create several public open spaces (the Wedge of Light, Liberty Park, and Washington Place). Fulton Street and Greenwich Street will be constructed as new streets through the WTC site. Liberty Street and Cedar Street will be rebuilt and reconfigured to accommodate the below-grade Vehicle Security Center. Vesey Street will receive new paving and markings from the existing northern curb to the new southern curb, including the sidewalk adjacent to the façade of One WTC. Church Street will receive a new western curb edge and an adjacent sidewalk, with partial repaving of the existing lanes.

The Streets Program includes utilities, street furnishings, landscaping, lighting, signage, implementation of traffic measures and perimeter security protective measures for vehicle interdiction.

Preliminary engineering work for the overall Streets Program has advanced and is expected to be complete by the end of 2009. However, as other projects at the site have progressed and schedule demands for the WTC site stakeholders have been established, the Streets Program was separated into distinct phases, so that work can be performed in conjunction with the implementation of other adjacent projects, the October 2008 WTC Assessment schedule milestones, and the Master Development Agreement with Silverstein Properties, Inc.

Project Phases

On January 22, 2009, the Board authorized a \$55 million project for Phase I of the Streets Program, which includes the installation of utilities, below-grade structures, and interim sidewalks and roadway surfaces at the WTC site. DSP is preparing the Final Design and Construction Documents (Stage III) and Construction Services (Stage IV) for that phase of the Streets Program.

Phase II of the Streets Program, pursuant to this authorization, would include all final street and sidewalk surface finishes, trees, paving, bollards, streetscape furniture and additional design of Liberty Park. This work also would include completion of the Wedge of Light and Washington Place.

Phase III of the Streets Program will include a new 60,000-square-foot Liberty Park, to be located on the southern portion of the WTC site, above the roof of the Vehicular Security Center, and would serve as a public gathering place for workers and the growing number of residents in the surrounding areas.

Work under this authorization would advance the final design and construction of Phase II of the Streets Program. The Phase II project will support significant schedule milestones for the neighboring stakeholders, including the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. and Silverstein Properties, Inc.

Under prior authorizations through January 22, 2009, the Board authorized the award of an agreement with DSP for expert professional architectural and engineering services associated with the overall Streets Program, at an estimated amount of \$10.7 million, through completion of preliminary engineering (Stage II) and final design and construction services (Stage III & IV) for Phase I.

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

RESOLVED, that a project to advance final design and construction of Phase II of the World Trade Center Streets, Utilities and Related Infrastructure Program (Streets Program), at an estimated amount of \$140 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 exercise an option in an existing contract with Downtown Streetscape Partners to provide expert professional architectural and engineering services for associated portions of the final design and construction of Phase II of the Streets Program, at an estimated amount of \$5 million, which is included in the total project authorization; 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 purchase and 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.

**DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER SITE –
TECHNICAL SUPPORT SERVICES FOR THE DEVELOPMENT OF AN
ALTERNATE EAST BATHTUB CONSTRUCTION OPTION**

It was recommended that the Board authorize the Executive Director, for and on behalf of the Port Authority, to: (1) increase the compensation, in an estimated total amount of \$20 million, under existing agreements with various architectural, engineering and other firms as outlined below, in connection with the development of a revised design for the World Trade Center (WTC) Transportation Hub (WTC Hub), consistent with its current architectural design; and (2) provide reimbursement of costs for various environmental surveys, engineering analyses and security reviews related to the revised design, in order to provide an alternate design option for the continued construction of the WTC Hub independent of the construction of Towers 2, 3 and 4 at the WTC site.

In light of the continued uncertainty with respect to the schedule for the development of Towers 2, 3 and 4, the Port Authority has begun the formulation of a revised design for the WTC Hub that will permit the Port Authority to complete the construction of the public components of the WTC site independent of construction of Towers 2, 3 and 4. The development of this option will require, in addition to a revised design for the WTC Hub, a redesign of various aspects of One World Trade Center, the Vehicular Security Center (VSC) and other infrastructure, in order to minimize the impacts on the roadmap dates included in the Port Authority's October 2008 WTC Assessment, while maintaining the ability of Silverstein Properties, Inc. to commence construction of Towers 2, 3 and 4.

The following services would be obtained:

WTC Transportation Hub – Downtown Design Partnership (DDP)

DDP would be responsible for modifying certain elements of the design of the WTC Hub's Transit Hall and Oculus, at an estimated cost of \$6.5 million. This alternate strategy, if implemented, will not impact the transportation benefits of the station or the signature elements of the Calatrava design.

WTC Streets Program – Downtown Streetscape Partners (DSP)

DSP would be responsible for modifying and coordinating design impacts on utilities, roadway and sidewalk systems and conducting a security analysis, at an estimated cost of \$865,885.

One World Trade Center – Various Firms

Various firms, including Skidmore, Owings & Merrill, Jaros, Baum & Bolles, Mueser Rutledge Consulting Engineers, WSP Cantor Seinuk, Philip Habib Associates and Leslie E. Robertson Associates, would be responsible for modifying and coordinating design impacts as they relate to loading dock facilities and power distribution facilities for 1 WTC, at an estimated cost of \$4 million.

WTC VSC and Tour Bus Parking Facility – Liberty Security Partners (LSP)

LSP would be responsible for modifying and coordinating design impacts as they relate to the sub-grade roadway to serve the Tower 4 area only, and for evaluating and modifying building services originating from the East and West Bathtubs, at an estimated cost of \$1,906,398.

WTC Retail LLC

Under an existing agreement with Jones Lang LaSalle, the firms Beyer Blinder Belle and Atkinson Koven Feinberg would be responsible for modification and coordination of the architectural, mechanical, electrical, plumbing, fire protection and egress design impacts with respect to the retail component of the WTC Hub, at an estimated cost of \$4 million.

Other services necessary to effectuate the revised structural design include the performance of surveys and engineering analysis for multiple alternate utility service entrances to the WTC site by Consolidated Edison Company of New York, Inc., review of existing Federal Transit Administration-mandated environmental documentation for all WTC programs by Allee King Rosen & Fleming, review of security criteria by Ducibella Venter and Santore and other miscellaneous work, at an estimated cost of \$2.7 million.

Utilizing the services of various architectural and engineering and other firms that have extensive knowledge of, and familiarity with, the WTC site and the ongoing redevelopment projects would provide the Port Authority with the most cost-effective method to procure these services and would enable completion of these redesign efforts in a timely fashion.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) increase the compensation, in an estimated total amount of \$20 million, under existing agreements with various architectural, engineering and other firms, substantially in accordance with the terms and conditions outlined to the Board, in connection with the development of a revised design for the World Trade Center Transportation Hub (WTC Hub), consistent with its current architectural design; and (2) provide reimbursement of costs for environmental surveys, engineering analyses and security reviews related to the revised design, in order to provide an alternate design option for the continued construction of the WTC Hub independent of the construction of Towers 2, 3 and 4 at the World Trade Center site; and it is further

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

ONE WORLD TRADE CENTER – AUTHORIZATION TO AWARD CONSTRUCTION TRADE CONTRACT FOR FAÇADE MAINTENANCE EQUIPMENT

It was recommended that the Board authorize 1 World Trade Center LLC (1 WTC LLC), through its construction manager, Tishman Construction Corporation (Tishman), to enter into a construction trade contract with Tractel, Ltd., for façade maintenance equipment work associated with the construction of One World Trade Center, at an estimated amount of \$8,618,400, including an eight-percent allowance for extra work.

The scope of work for this contract includes the furnishing and installation of a complete façade maintenance system, including an electric-powered traveling exterior suspended platform system at One World Trade Center, three roof-top building maintenance units, housing and all components, an electric-powered monorail suspended platform and suspended mechanical chair systems and one roof-top material crane. The façade maintenance equipment will be used for regular maintenance of items such as the glass, screens and lighting on the exterior of the building, the interior of the podium wall, and in certain areas on the mechanical floors. A five-year maintenance and material warranty for all equipment and components is included in the proposed trade contract.

The form of trade contract being utilized by Tishman as construction manager was developed by Port Authority staff and maintains, to the greatest degree possible, Port Authority policies and procedures for the work, including provisions allowing for termination for convenience, and requirements for minority and women-owned business enterprise utilization, confidentiality, security and integrity monitoring, and a competitive bidding process.

The terms of the construction trade contract proposed for award were negotiated and would be awarded to the lowest bidder, in accordance with the procurement procedures established in the Third Freedom Tower Amendment to the September 2003 General Contractor Agreement between Tishman and 1 WTC LLC.

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

RESOLVED, that 1 World Trade Center LLC be and it hereby is authorized, through its construction manager, Tishman Construction Corporation, to enter into a construction trade contract with Tractel, Ltd., for façade maintenance equipment work associated with the construction of One World Trade Center, in an estimated total amount of \$8,618,400, including 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.

ONE WORLD TRADE CENTER – AUTHORIZATION TO AWARD CONSTRUCTION TRADE CONTRACT FOR LIGHT FIXTURES

It was recommended that the Board authorize 1 World Trade Center LLC (1 WTC LLC), through its construction manager, Tishman Construction Corporation (Tishman), to enter into a construction trade contract with Denney Electric Supply of Ambler, Inc. for the pre-purchase of light fixtures associated with the construction of One World Trade Center, at an estimated total cost of \$13,392,000, including an eight-percent allowance for extra work.

The scope of work for this contract includes furnishing Five Star Electric Corporation, the electrical contractor for One World Trade Center, with all the lighting fixtures throughout the building, including the light-emitting-diode lights throughout the entire glass podium wall, light poles on both the east and west plazas, lighting embedded in the plaza pavers, xenon up-lighting on the roof to highlight the structural steel spire, lighting throughout all the lobbies, as well as throughout the ceilings and walls, lighting required throughout the mechanical plenum spaces and lighting in the bathrooms throughout the building.

The form of trade contract being utilized by Tishman as construction manager was developed by Port Authority staff and maintains, to the greatest degree possible, Port Authority policies and procedures for the work, including provisions allowing for termination for convenience, and requirements for minority and women-owned business enterprise utilization, confidentiality, security and integrity monitoring, and a competitive bidding process.

The terms of the construction trade contract proposed for award were negotiated and would be awarded to the lowest bidder, in accordance with the procurement procedures established in the Third Freedom Tower Amendment to the September 2003 General Contractor Agreement between Tishman and 1 WTC LLC.

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

RESOLVED, that 1 World Trade Center LLC be and it hereby is authorized, through its construction manager, Tishman Construction Corporation, to enter into a construction trade contract with Denney Electric Supply of Ambler, Inc. for the pre-purchase of light fixtures associated with the construction of One World Trade Center, at an estimated total cost of \$13,392,000, including an eight-percent allowance for extra work; and it is further

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

DOWNTOWN RESTORATION PROGRAM – AUTHORIZATION TO ACCEPT ASSIGNMENT OF A TRADE CONTRACT FOR ROOFING AND WATERPROOFING FOR THE WORLD TRADE CENTER (WTC) MEMORIAL, MEMORIAL MUSEUM AND WTC INFRASTRUCTURE PROJECTS, INCLUDING PAYMENTS INTO AN ESCROW ACCOUNT

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 KJC Waterproofing for roofing and waterproofing work for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, at an estimated amount of \$8,587,080, including an eight-percent contingency; (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. (Bovis) for performance of construction management (CM) services associated with the roofing and waterproofing trade contract, at an estimated cost of \$790,647; and (3) on behalf of the Port Authority and its wholly owned entities, make payments into an escrow account, in an amount of \$1,819,104, for the Port Authority's portion of the costs associated with the roofing and waterproofing trade contract and the Bovis CM contract.

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 roofing and waterproofing 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 roofing and waterproofing trade contract to KJC Waterproofing, 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 furnishing and installation of all roofing and waterproofing components and equipment for the WTC Memorial and Memorial Museum. The roofing and waterproofing contract meets all New York City building code requirements.

None of the proposed Port Authority payment is included in the \$150 million commitment authorized by the Board in July 2006 for common and exclusive site infrastructure work associated with the WTC Memorial and Memorial Museum projects.

An escrow account was jointly established and initially funded by the NS11MM to provide for payments to contractors and Bovis. The Port Authority previously has agreed to make payments into the escrow account of \$216.7 million, and the proposed authorization would bring total anticipated Port Authority payments to approximately \$218.5 million, of which approximately \$113.1 million has been allocated against the Port Authority's commitment to the WTC Memorial and Memorial Museum Projects.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Chasanoff, Coscia, Grayson, Holmes, 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 KJC Waterproofing for roofing and waterproofing work for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, in an estimated amount of \$8,587,080, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. (Bovis) for performance of construction management services associated with the roofing and waterproofing trade contract, at an estimated cost of \$790,647; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entities, to pay \$1,819,104 into an escrow account for the Port Authority's portion of the costs associated with the roofing and waterproofing trade contract and the Bovis construction management contract for the aforementioned projects; 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.

ALLOCATION OF PROJECT DEVELOPMENT FUNDS FOR NEW YORK AND NEW JERSEY

It was recommended that the Board authorize the Executive Director and the Deputy Executive Director, each individually, to enter into agreements with appropriate entities necessary to effectuate projects in New York and New Jersey designated, respectively, by the Governor of the State of New York and the Governor of the State of New Jersey, in connection with the allocation of funds from previously authorized commitments for various projects and initiatives in the two States. Under the proposed authorization, \$15.8 million would be made available for projects in the State of New York and \$2.2 million for projects in the State of New Jersey, consistent with existing legislation and agreements with the holders of the Port Authority's obligations.

From time to time, the Board has authorized the provision of funds for various projects and initiatives in the two States. At its meeting of February 24, 2005, the Board authorized the allocation of \$30 million for projects in New Jersey to be designated by the Governor of New Jersey.

With respect to funding commitments to the State of New York, currently there is approximately \$5.8 million remaining from two prior authorizations. At its meeting of December 10, 1992, the Board authorized \$10 million for the development of an Intelligent Transportation System, of which \$5 million remains unspent. An additional \$812,000 remains from an authorization by the Board, at its meeting of March 7, 1987, to fund traffic distribution improvements in Manhattan. Moreover, an existing \$10 million commitment for use by the State of New York is in the approved ten-year capital plan, and would be included within this authorization.

With regard to funding commitments to the State of New Jersey, currently there is \$2.2 million remaining from prior authorizations. At its meeting of September 14, 1989, the Board authorized \$27 million for various marine-related projects in New Jersey, of which \$1.8 million remains unspent. On July 26, 2001, the Board authorized the provision of \$1 million to fund transportation planning studies to address congestion in the surface transportation network in certain portions of Hudson County, of which \$400,000 remains unspent.

Periodically, the Governor of New York and the Governor of New Jersey, respectively, would submit a project or list of projects for which Port Authority funding would be requested through this initiative. Agreements would be entered into with appropriate entities to provide funding for eligible designated projects, up to the limit of the then remaining available funds, and consistent with existing legislation and agreements with the holders of the Port Authority's obligations.

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

RESOLVED, that the Executive Director and the Deputy Executive Director, each individually, be and they hereby are authorized, for and on behalf of the Port Authority, to enter into such agreements with appropriate entities as are

necessary to effectuate, consistent with existing legislation and agreements with the holders of the Port Authority's obligations: (1) projects in the State of New York designated by the Governor of the State of New York in connection with the allocation of the remaining \$15.8 million of funds from previously authorized commitments for projects and initiatives in New York; and (2) projects in the State of New Jersey designated by the Governor of the State of New Jersey in connection with the allocation of the remaining \$2.2 million of funds for previously authorized commitments for projects and initiatives in the State of New Jersey; 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.

Whereupon, the meeting was adjourned.

Secretary