

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

**COMMITTEE ON OPERATIONS  
MINUTES OF SPECIAL, INTERIM MEETING  
Thursday, July 28, 2011**

One World Trade Center (One WTC) – Implementation of Certain Design and Construction Work Under Existing Contracts for One WTC and on Behalf of Various World Trade Center Site Projects 3

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**COMMITTEE ON OPERATIONS  
MINUTES OF SPECIAL, INTERIM MEETING**

**225 Park Avenue South**

**New York, NY**

**Thursday, July 28, 2011**

**PRESENT:**

Hon. David Samson, Chair  
Hon. Virginia S. Bauer  
Hon. H. Sidney Holmes III  
Hon. Jeffrey H. Lynford  
Hon. Jeffrey A. Moerdler  
Hon. Raymond M. Pocino  
Hon. Scott H. Rechler  
Hon. Anthony J. Sartor  
Hon. William P. Schuber  
Hon. David S. Steiner  
Committee Members

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

Susan M. Baer, Director, Aviation  
Ernesto L. Butcher, Chief Operating Officer  
Steven J. Coleman, Assistant Director, Media Relations  
Michael P. DePallo, Director, Rail Transit  
Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director  
John J. Drobny, Director, Security Projects, Chief Operating Office  
Michael G. Fabiano, Chief Financial Officer  
Michael A. Fedorko, Director, Public Safety/Superintendent of Police  
Michael B. Francois, Chief, Real Estate and Development  
Richard Friedman, Manager, Special Projects, Office of Environmental and Energy Programs  
Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs  
Linda C. Handel, Deputy Secretary  
Andrew T. Hawthorne, Director, Marketing  
Mark D. Hoffer, Director, New Port Initiatives, Port Commerce  
Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs  
Howard G. Kadin, Esq., Law  
James A. Keane, General Manager, Inspection and Safety-Risk Management, Operations Services  
Kirby King, Director, Technology Services

Louis J. LaCapra, Chief Administrative Officer  
Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
Conor Lanz, Special Assistant to the Executive Director  
Richard M. Larrabee, Director, Port Commerce  
Jamie E. Loftus, Chief, Public and Government Affairs  
Stephen Marinko, Esq., Law  
Ronald Marsico, Assistant Director, Media Relations  
Daniel G. McCarron, Comptroller  
James E. McCoy, Manager, Board Management Support, Office of the Secretary  
Patrick O'Reilly, Advisor to the Chairman  
Paul A. Pietropaolo, Corporate Information Security Officer, Office of the Secretary  
Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary  
Desiree Ramos, External Relations Client Manager, Government and Community Affairs  
Brian W. Simon, Director, Government and Community Affairs, New York  
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 Duynes, Manager, Policies and Protocol, Office of the Secretary  
Philippe Visser, Director, World Trade Center Redevelopment  
Andrew S. Warshaw, Chief of Staff to the Executive Director  
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director  
William Young, Client Manager, Government and Community Affairs  
Peter J. Zipf, Chief Engineer

Guests:

Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public  
Margaret Donovan, Twin Towers Alliance  
Richard Hughes, Twin Towers Alliance  
John Francis McNeece, Jr., Member of the Public

In view of the fact that there would be an insufficient number of affirmative votes cast to constitute a quorum with respect to a matter to be considered at today's Board meeting, the Secretary reported that, pursuant to the Board's resolution of December 15, 1994, a special, interim meeting of the Committee on Operations was called to permit the Committee to act on this item for and on behalf of the Board.

The meeting was called to order in public session by Chairman Samson at 1:49 p.m. and ended at 2:14 p.m.

**ONE WORLD TRADE CENTER (ONE WTC) – IMPLEMENTATION OF CERTAIN DESIGN AND CONSTRUCTION WORK UNDER EXISTING CONTRACTS FOR ONE WTC AND ON BEHALF OF VARIOUS WORLD TRADE CENTER SITE PROJECTS**

It was recommended that the Board authorize: (1) an aggregate increase of \$45.2 million to several One World Trade Center (One WTC) construction trade contracts for work performed for One WTC and other World Trade Center (WTC) site projects, inclusive of construction management services provided by Tishman Construction Corporation to support the work; (2) an aggregate increase of \$2.65 million to various design consultant contracts for work performed for other WTC site projects; and (3) 1 World Trade Center LLC (1 WTC LLC) to allocate these additional funds in connection with the effectuation of the work on other WTC site projects, on an as-needed basis, as required among the various WTC site stakeholders involved, including increases in design and construction trade contracts.

In order to advance various projects at the WTC site, it is often more practical and cost-effective to utilize existing construction trade contractors already on site to implement work on behalf of adjacent projects. The amounts requested herein, which are available within existing authorized budgets of the various WTC site projects, would accommodate the following: the implementation of the revised power supply design for the WTC site; tenant, common area and building management-related improvements for One WTC; and work for various WTC site stakeholders, such as construction of an access/egress stairway on behalf of the WTC Transportation Hub Project. These increases are necessary because most of the trade contracts were awarded prior to the following: the decision to relocate the permanent primary power supply facility (Power Distribution Center (PDC)) from Tower 2 to One WTC; The Durst Organization's (Durst) involvement in the One WTC Project; and the completion of final design of adjacent projects.

Due to uncertainty regarding the construction schedule for Tower 2, at its October 22, 2009 meeting, the Board authorized certain actions to effectuate an alternative power supply design, in order to maintain current schedules for the public projects at the WTC site. Design modifications to the PDC required changes to be made to the mechanical, electrical, and plumbing systems of One WTC, as well as for other WTC site projects. The redesign provided for the location of primary switchgear equipment in the subgrade of One WTC, which equipment originally was planned to be located in the East Bathtub, beneath Tower 2. Under the revised design, primary switchgear equipment and related infrastructure to be located in One WTC would distribute power directly from the Consolidated Edison Company of New York to One WTC, and then to secondary switchgear equipment located beneath the WTC Memorial, Central Chiller Plant and the WTC Transportation Hub. At that time, the Board was advised that future authorizations would be required for the installation of the equipment, as well as associated mechanical, electrical, plumbing, structural, and architectural work associated with the redesign. Approximately 50 percent of the costs associated with the proposed increase would provide for the implementation of the PDC redesign effort.

At its meetings of August 5, 2010 and May 25, 2011, the Board authorized a transaction between the Port Authority and Durst, in which Durst would become a joint venture partner with the Port Authority in the entity that indirectly owns the lessee's net leasehold interest in the One WTC building, and participate and advise in the construction, financing, leasing, management and operation of One WTC. Over the past several months, certain recommendations to

accommodate tenant requests, as well as changes to attract new tenants and to ensure that building management and operations are effective and efficient, have been agreed upon by Durst and Port Authority staff, which changes would be effectuated through the proposed authorization. These improvements would be funded through the authorized tenant improvements budget for One WTC.

In addition, other WTC site stakeholders have requested One WTC design and construction work, within the building envelope, on their behalf. To accommodate these design changes, revised and additional scope of work to the existing trade contracts is required in order to coordinate the necessary work. Such work includes modifications to accommodate tenant requests, increased slab loading, internal elevators, and signage.

This proposed authorization would help to maintain the current construction schedule at the WTC site.

The affected construction trade contracts are as follows:

<b>Contractor</b>	<b>Scope of Work</b>	<b>Amount</b>
Airflex Industrial Incorporated	Ornamental Metal	\$394,618
American Architectural Incorporated	Ornamental Metal	\$90,000
Asbestolith Manufacturing Corporation	Fluid Applied Flooring	\$45,166
ASM Mechanical Systems	AG Ventilation	\$102,711
Atlantic Hoisting & Scaffolding, LLC	Hoisting	\$2,967,220
Bauerschmidt & Sons, Inc.	Millwork	\$74,077
Benson Industries, LLC	Curtain Wall	\$352,450
Cardoza Plumbing Corporation	BG Plumbing	\$197,968
Collavino Construction	Concrete	\$4,621,090
Component Assembly Systems	Carpentry	\$120,382
Curtis Partition Corporation	Carpentry	\$100,822
DCM Erectors Inc.	Structural Steel	\$2,219,719
Firecom JV	Fire Alarm	\$41,666
Five Star Electric AG	AG Electric	\$14,482,085
Five Star Electric BG	BG Electric	\$1,363,694
FW Sims Incorporated BG	BG HAC	\$1,295,511
FW Sims Incorporated AG	AG HAC	\$1,982,366
Global Overhead Door	Overhead Doors	\$105,000
Heritage Mechanical	BG Ventilation	\$867,600
Hillside Ironworks, Inc.	Miscellaneous Iron	\$1,231,830
Ingersoll Rand Security Technologies	Security	\$669,948
The Jobin Organization, Inc.	Roofing and Waterproofing	\$31,184
Long Island Fireproof Door	Doors and Hardware	\$109,665
Megrant Corporation	HAC	\$385,194
Northbrook Contracting Corporation	Temporary Roads	\$64,020
Port Morris Tile & Marble Corporation	Stone and Tile	\$174,000
Rad and D'Aprile, Inc. BG	BG Masonry	\$315,454
Rad and D'Aprile, Inc. AG	AG Masonry	\$100,000
Rael Automatic Sprinkler BG	BG Fire Protection	\$245,199
Rael Automatic Sprinkler AG	AG Fire Protection	\$316,495

<b>Contractor</b>	<b>Scope of Work</b>	<b>Amount</b>
Signs and Decal Corporation	Signage	<b>\$319,932</b>
Skyline Steel Corporation	Electrical Closet Lining	<b>\$10,000</b>
Spectrum Painting	Painting	<b>\$560,000</b>
TAC- Schneider Electric Buildings America, Inc.	Building Management System	<b>\$1,009,932</b>
ThyssenKrupp Elevator	Elevators and Escalators	<b>\$3,232,109</b>
WDF, Incorporated	AG Plumbing	<b>\$43,344</b>
Wolkow Braker Roofing Corporation	BG Waterproofing	<b>\$51,603</b>
<b>Total</b>		<b>\$40,294,051</b>

The affected design consultant contracts are as follows:

<b>Consultant</b>	<b>Amount</b>
Claude Engle	<b>\$30,000</b>
Ducibellla, Venter & Santore	<b>\$21,000</b>
Jaros, Baum & Bolles	<b>\$1,088,000</b>
Pentagram Design	<b>\$53,000</b>
Rowan Williams Davies & Irwin	<b>\$237,000</b>
Schlaich Bergerman & Partner	<b>\$38,000</b>
Skidmore, Owings & Merrill	<b>\$680,000</b>
WSP Cantor Seinuk	<b>\$368,000</b>
Peter Walker & Partners	<b>\$80,000</b>
Weidlinger Associates Incorporated	<b>\$25,000</b>
Israel Berger & Associates	<b>\$10,000</b>
Leslie E. Roberts Associates	<b>\$10,000</b>
Code Consultants Incorporated	<b>\$10,000</b>
<b>Total</b>	<b>\$2,650,000</b>

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Holmes, Lynford, Moerdler, Pocino, Rechler, Schuber and Steiner voting in favor; Commissioners Bauer, 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 Committee being present.

**RESOLVED**, that an increase of \$45.2 million to several construction trade contracts for One World Trade Center work and for work performed for other World Trade Center (WTC) site projects, including permanent power relocation and tenant modifications, inclusive of construction management services provided by Tishman Construction Corporation, be and it hereby is authorized; and it is further

**RESOLVED**, that an increase of \$2.65 million to various design consultant contracts, for work performed for other WTC site projects and for tenant modifications, be and it hereby is authorized; and it is further

**RESOLVED**, that 1 World Trade Center LLC be and it hereby is authorized to allocate the aforementioned additional funds to effectuate the foregoing in connection with the work on other WTC site projects, on an as-needed basis, as required among the various WTC site stakeholders involved, including increases in design and construction trade contracts; 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.

Whereupon, the meeting was adjourned.

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Secretary