

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL, INTERIM MEETING
Thursday, November 18, 2010**

Bathgate Industrial Park – New Lease and Surrender Agreement with Perrigo, Inc. and Brokerage Agreement with CB Richard Ellis Group, Inc. and Perrigo, Inc.	3
World Trade Center Site Infrastructure Program – One World Trade Center Vehicle Access – Planning Authorization	4

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225 Park Avenue South

New York, NY

Thursday, November 18, 2010

PRESENT:

Hon. Anthony R. Coscia, Chair
 Hon. Henry R. Silverman, Vice-Chair
 Hon. Virginia S. Bauer
 Hon. H. Sidney Holmes III
 Hon. Jeffrey A. Moerdler
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 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

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. Pearse, 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

In view of the fact that there would be an insufficient number of affirmative votes cast to constitute a quorum with respect to certain matters 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 these items for and on behalf of the Board.

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

BATHGATE INDUSTRIAL PARK – NEW LEASE AND SURRENDER AGREEMENT WITH PERRIGO, INC. AND BROKERAGE AGREEMENT WITH CB RICHARD ELLIS GROUP, INC. AND PERRIGO, INC.

It was recommended that the Board authorize the Executive Director to enter into: (1) a new lease agreement with Perrigo, Inc. (Perrigo) for the letting of approximately 270,000 rentable square feet of mixed industrial and manufacturing space in three buildings (Nos. 1625, 1700 and 1701) at the Bathgate Industrial Park (BIP) for a ten-year term; (2) surrender agreement(s) with respect to Perrigo's current leases for each of the three buildings, scheduled to expire in December 2014; and (3) a brokerage agreement with CB Richard Ellis Group, Inc. (CBRE) and Perrigo for payment by Perrigo of a brokerage commission, in the amount of \$440,000, to be reimbursed to Perrigo by the Port Authority through rental credits to be issued under the new lease agreement.

Perrigo's three existing lease agreements, one for each of the three buildings it leases at BIP, are scheduled to expire in December 2014. The new lease agreement would: consolidate the terms of Perrigo's three lease agreements into one lease; provide fixed rental amounts for the entire term of the new lease agreement; and require the Port Authority to provide rental credits to Perrigo to cover the repair and maintenance costs of the structural elements of Perrigo's buildings. The Port Authority also would reimburse Perrigo for certain structural work that Perrigo performed under its current leases, in the approximate amount of \$106,000. Perrigo intends separately to negotiate a "non-disturbance agreement" with the New York City Economic Development Corporation for its continued occupancy of space at BIP beyond the scheduled 2020 expiration of the Port Authority's ground lease with the City of New York for the BIP.

Perrigo would pay a brokerage commission to CBRE, in the approximate amount of \$440,000, and be reimbursed by the Port Authority therefor, by means of rental credits under the new lease agreement.

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 Bauer, Coscia, Holmes, Pocino, Sartor, Silverman and Steiner voting in favor; none against; Commissioner Moerdler recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) a new lease agreement with Perrigo, Inc. (Perrigo) for the letting of approximately 270,000 rentable square feet of mixed industrial and manufacturing space in three buildings (Nos. 1625, 1700 and 1701) at the Bathgate Industrial Park for a ten-year term; (2) surrender agreement(s) with respect to Perrigo's current leases for each of the three buildings; and (3) a brokerage agreement with CB Richard Ellis Group, Inc. and Perrigo for the payment by Perrigo of a brokerage commission, in the amount of \$440,000, to be reimbursed to Perrigo by the Port Authority; and it is further

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

WORLD TRADE CENTER SITE INFRASTRUCTURE PROGRAM – ONE WORLD TRADE CENTER VEHICLE ACCESS – PLANNING AUTHORIZATION

It was recommended that the Board authorize: (1) planning and design services to evaluate alternatives for truck/vehicle access to One World Trade Center (1WTC), in support of 1WTC's current leasing plan, in an estimated amount of \$2.5 million; and (2) the Executive Director to enter into contracts for professional, design and advisory services and such other contracts and agreements as may be necessary to effectuate planning and other project development activities.

Development of the World Trade Center (WTC) subgrade roadway network is critical for the redevelopment of the WTC site and for the permanent operation of all WTC facilities, because it will connect various facilities located in the West Bathtub, East Bathtub and South Bathtub. The October 2008 "World Trade Center Report: A Roadmap Forward" identified the existence of the North Temporary Access Facility as an impediment to providing subgrade truck access for vehicles servicing 1WTC, and disclosed that a workaround would be required in order to provide truck access for tenants to construct and service their 1WTC leaseholds. Following a review of construction schedules, it was determined that a workable solution was needed to accommodate tenant construction schedules for existing leases and potential leases being negotiated for 1WTC, as well as to support tenant occupancy and ongoing operation of 1WTC.

Work would include design, design coordination and support, and architectural and engineering services to support a future project, which would be subject to further Board authorization.

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 Bauer, Coscia, Holmes, Pocino, Silverman and Steiner voting in favor; none against; Commissioners Moerdler and Sartor recused:

RESOLVED, that planning and design services, in an estimated amount of \$2.5 million, to evaluate alternatives for truck/vehicle access to One World Trade Center (1WTC), in support of 1WTC's current leasing plan, be and they hereby are 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 enter into contracts for professional, design and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning and other project development activities, 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.

Whereupon, the meeting was adjourned.

Secretary