THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, September 24, 2015

Action on Minutes	155
Report of Audit Committee	155
Report of Committee on Finance	155
Report of World Trade Center Redevelopment Subcommittee	155
Report of Committee on Operations	156
Report of Committee on Capital Planning, Execution and Asset Management	156
Report of Committee on Governance and Ethics	156
Moment of Silence	156
Tribute to Peter Zipf	157
John F. Kennedy International Airport – Building 76 – China Airlines Ltd. – New Lease Agreement AYE-401	158
Newark Liberty International Airport – New Lease Agreement with Public Service Electric and Gas Company	159
Stewart International Airport – United States Department of Agriculture, Animal and Plant Health Inspection Service, Veterinary Services, New York Animal Import Center – New Lease ASA-142	161
Brooklyn-Port Authority Marine Terminal – Manhattan Beer Distributors, LLC – Lease BP-310 – Supplement	162
John F. Kennedy International Airport – TWA Flight Center – Lease AYE-428 – Authorization of Lease Terms	163
John F. Kennedy International Airport – Former Hangar 12 Site – West Area Lighting – Project Authorization and Award of Contract	165
Lincoln Tunnel – Helix Replacement – Phase 2 – Planning Authorization and Retention of Expert Professional Engineering Service	167

One World Trade Center – China Center New York LLC – Authorization of Amended and Restated Lease 169

Board of Commissioners - Recusal Policy 171

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, September 24, 2015 at 150 Greenwich Street, City, County and State of New York

PRESENT:

NEW JERSEY	**NEW YORK**
Hon. John J. Degnan, Chairman	Hon. Scott H. Rechler, Vice-Chairman
Hon. Richard H. Bagger	Hon. Steven M. Cohen
Hon. George R. Laufenberg	Hon. Michael D. Fascitelli
Hon. Raymond M. Pocino	Hon. Hamilton E. James
Hon. William P. Schuber	Hon. Kenneth Lipper
Hon. David S. Steiner	Hon. Jeffrey H. Lynford

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

Ana A. Abelians, Staff Contract Administrator, Engineering
Julia Basile, Deputy Director, Human Resources
Thomas E. Belfiore, Chief Security Officer
Denise M. Berger, Assistant Chief Engineer, Operations
Thomas L. Bosco, Director, Aviation
Molly C. Campbell, Director, Port Commerce
Ana M. Carvajalino, Assistant Director, Forecasting and Financial Planning, Management and Budget
Steven J. Coleman, Deputy Director, Media Relations
Diane Conzo, Senior Executive Secretary, Engineering
Nicole Crifo, Senior Advisor to the Chairman
Stephanie E. Dawson, Acting Chief Operating Officer
Gerard A. Del Tufo, Assistant Director, Development and Operations, Real Estate
John C. Denise, Audio Visual Supervisor, Marketing
Lauren A. Durgin, Senior Business Manager, Engineering
Diannae C. Ehler, General Manager, Port Authority Bus Terminal/Lincoln Tunnel, Tunnels, Bridges and Terminals
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Sean M. Fitzpatrick, Chief of Staff to the Chairman
Donald Free, Program Director, Business Development, Aviation
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
Robert E. Galvin, Chief Technology Officer
David P. Garten, Chief of Staff to the Vice Chairman
Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
Linda C. Handel, Deputy Secretary
Mary Lee Hannell, Chief, Human Capital
Portia L. Henry, Executive Policy Analyst, Special Panel Implementation Office
Brian Jacob, Principal Board Management and Support Specialist, Office of the Secretary
Howard G. Kadin, Esq., Law

Sherien N. Khella, Financial Advisor to the Chief Financial Officer
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
William Laventhal, Executive Policy Analyst, Office of the Executive Director
Andrew G. Levine, Director, Audit
John J. Liantonio, Senior External Relations Client Manager, Government and Community Affairs
Martha G. Lindner, Administrator, Engineering
Andrew S. Lynn, Director, Planning and Regional Development
John H. Ma, Chief of Staff to the Executive Director
Stephen Marinko, Esq., Law
Michael P. Marino, Director, Rail Transit
Ronald Marsico, Director, Media Relations
Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management
Hugh P. McCann, Director, World Trade Center Operations
Daniel G. McCarron, Comptroller
Elizabeth M. McCarthy, Chief Financial Officer
James E. McCoy, Manager, Board Management Support, Office of the Secretary
David J. McGrath, Manager of Marketing and Communications
Brian McGraw, Police Officer
Carlene V. McIntyre, Assistant General Counsel
Diane Paonessa, Staff Business Manager, Engineering
Steven A. Pasichow, Director, Office of Investigation, Office of Inspector General
Paul A. Pietropaolo, Program Director, Tunnels, Bridges and Terminals
Alan L. Reiss, Deputy Director, World Trade Center Construction
Andrew Saporito, Deputy Director, Port Commerce
Michael F. Schmidt, Manager, Airport Property Development Management, Aviation
James A. Starace, Chief Engineer/ Director of Engineering
Timothy G. Stickelman, Assistant General Counsel
K. Ocean Stokes, Associate Board Management and Support Specialist, Office of the Secretary
Ralph Tragale, Assistant Director, Public Affairs, Aviation
Lillian D. Valenti, Chief Procurement and Contracting Officer
Michael L. Valletta, Assistant Director, Capital Construction Planning, Tunnels, Bridges and Terminals
Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Ian R. Van Praagh, Acting Director, Government and Community Affairs, New York
Yolanda Velazquez, Executive Secretary, Engineering
Kathryn Winfree, Assistant Policy Analyst, Government and Community Affairs
Cheryl A. Yetka, Treasurer

Guests:
Ali Chaudhry, Assistant Counsel, Office of the Governor of New York
Amy Herbold, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey
Clark K. Ervin, Partner, Squire Patton Boggs
Michael Wojnar, Special Assistant for Intergovernmental Affairs, Office of the Governor of New York
Peter J. Zipf, Former Chief Engineer, Retired

Speakers:
Christine Berthet, Community Board 4
Murray Bodin, Member of the Public
Ashley Brashi, Local 32BJ
Juan Chapman, Local 32BJ
Janna Chervatz, Tri-State Transportation Campaign
Margaret Donovan, Twin Towers Alliance
Mathieu Eugene, New York City Council, District 40
Richard Hughes, Twin Towers Alliance
Corey Johnson, New York City Council Member, District 3
Franck Joseph, Chief of Staff, Office of New York City Council Member Donovan Richards
Mark Levin, New York City Council Member, District 7
Eduardo Lopez, Unite Here
Stewart Mader, Acting Chair, PATH Riders Council
James Sanders Jr., New York State Senator
Stephen Sigmund, Global Gateway
Neile Weissman, New York Cycle Club

The public meeting was called to order by Chairman Degnan at 11:12 a.m. and ended at 1:22 p.m. The Board also met in executive session after the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of July 23, 2015. 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 July 24, 2015. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on August 7, 2015.

Whereupon, the Board unanimously approved the Minutes of the meeting of July 23, 2015.

Report of Audit Committee

The Committee on Audit reported, for information, on matters discussed in executive session at its meeting on July 28, 2015, which included discussion of matters involving external or internal investigations or audits, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on July 28, 2015, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, matters related to the purchase, sale, or lease of real property where disclosure would affect the value thereof or the public interest, and matters in which the release of information could impair the right to receive funds from the United States or other grantor, and the report was received.

The Committee on Finance also reported, for information, on matters discussed and action taken in executive session at its meeting on September 24, 2015, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in executive session at its meeting on September 24, 2015, which included discussion of matters related to the purchase, sale, or lease of real property, where disclosure would affect the value thereof or public interest, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on September 24, 2015, which included discussion of an item that authorizes a lease with the United States Department of Agriculture for the continued operation of the New York Animal Import Center at Stewart International Airport, 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 September 24, 2015, which included discussion of an item to authorize a lease for the restoration and adaptive re-use of the former TWA Flight Center at John F. Kennedy International Airport, and discussion of an item that authorizes the second phase of planning work to support the future replacement of the Lincoln Tunnel Helix, and the report was received.

Report of Committee on Governance and Ethics

The Committee on Governance and Ethics reported, for information, on matters discussed in public session at its meeting on September 24, 2015, which included a review of a recommendation to establish the position of Chief Ethics and Compliance Officer, and discussion of a proposed recusal policy for the Board of Commissioners, and the report was received.

Moment of Silence

In observance of the 14th anniversary of the September 11, 2001 terrorist attack on The World Trade Center, the Chairman requested a moment of silence in memory of the 84 Port Authority employees lost on that day, as well as for those who perished as a result of the bombing of The World Trade Center on February 26, 1993.

TRIBUTE TO PETER ZIPF

In recognition of his dedicated service to the Port Authority, we congratulate Peter Zipf on his recent retirement. Peter joined the Port Authority in 1985, and after serving in positions of increasing responsibility within the Engineering Department, became the agency's Chief Engineer in 2010. As Chief Engineer, Peter has been a key player in the continuing design, development and modernization of the agency's infrastructure and has played a vital role in the agency's effectuation of the Capital Plan. Under his leadership, major projects such as the Bayonne Bridge Navigational Clearance program, George Washington Bridge suspender rope replacement, construction of John F. Kennedy International Airport's Bay runway and the Battery Park Ferry Terminal progressed. Peter has fostered innovative solutions to address capital infrastructure needs at existing facilities, many of which have been in service for over 50 years, and has been an advocate for the disciplined prioritization of those efforts in order to maintain agency facilities in a state of good repair. It is with sincere gratitude that we recognize and honor Peter Zipf today for his effective leadership, professional principles and personal ethics over 30 years of dedicated service to the agency and the region it serves.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – BUILDING 76 – CHINA AIRLINES LTD. – NEW LEASE AGREEMENT AYE-401

It was recommended that the Board authorize the Executive Director to enter into a new lease agreement with China Airlines Ltd. (China Airlines) for the letting of approximately 66,000 square feet of warehouse space, 16,000 square feet of office space, and 10.839 acres of ground area, all located at Building 76 at John F. Kennedy International Airport (JFK), for a term of five years, with the space to be used as a cargo terminal with corresponding office space and associated open land for cargo operations and all uses ancillary to cargo handling.

In January 1988, China Airlines entered into Lease AYB-882 for the construction, use and occupancy of an air cargo facility (Building 76) at JFK, which expired at the end of 2014. The rent commencement date under the new lease would be January 1, 2015. China Airlines would pay a total aggregate rental of approximately $14.8 million over the term of the new lease.

China Airlines would be responsible for all operating, maintenance and repair costs associated with the space.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement, for a term of five years, with China Airlines Ltd. for the letting of Building 76 and associated ground area at John F. Kennedy International Airport, substantially in accordance 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 enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; 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.

NEWARK LIBERTY INTERNATIONAL AIRPORT – NEW LEASE AGREEMENT WITH PUBLIC SERVICE ELECTRIC AND GAS COMPANY

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with Public Service Electric and Gas Company (PSE&G) for approximately 3.29 acres of land area at Newark Liberty International Airport (EWR) in "as is" condition, commencing on or about January 1, 2016, for a term of the earlier of 20 years from the completion of construction of the new PSE&G 345-kilovolt (kV) substation at EWR or December 31, 2038, and associated agreements with private and public entities for related purposes, including, but not limited to, rights of entry for transmission lines servicing PSE&G at the leased site. Under the proposed lease, PSE&G would be required to pay rent to the Port Authority, consistent with market rates and based on a percentage of capacity delivered to non-Port Authority-related operations, in the event that PSE&G provides energy to non-Port Authority-related customers from the new substation.

In 2011, the Port Authority entered into discussions with PSE&G to request improved service reliability of the electrical infrastructure serving EWR, and for PSE&G to increase electrical capacity to the airport to meet future needs. As a result, and as part of a larger upgrade to the regional power grid that is being undertaken, PSE&G has proposed to design and construct a new higher-capacity substation bringing in 345-kV service to the airport. At the Port Authority's request, the new 345-kV substation would be located on airport property. The substation would replace an existing on-airport PSE&G 26-kV Electrical Switchrack Breaker Station. Upon completion of construction and commissioning of the new substation, PSE&G would remove the existing structure.

On April 23, 2014, the Board authorized a $66 million project for the renewal of electrical and adjacent underground utilities and supporting infrastructure to support a new PSE&G substation at EWR. The currently proposed action would allow the Port Authority to enter into a lease agreement with PSE&G for the installation, operation and maintenance of the new substation. Initially, the substation's output delivery would be dedicated to the Port Authority and EWR. Until such time that capacity from the EWR substation is extended to non-Port Authority-related facilities, businesses and/or customers located off airport property, PSE&G would not make lease payments. Should PSE&G begin to service non-Port Authority-related customers from the airport substation, PSE&G would pay market rent, which would be subject to annual adjustment in accordance with the Consumer Price Index, based on a percentage of capacity delivered to non-Port Authority-related customers.

The proposed lease terms are consistent with those in agreements for other substations PSE&G operates at EWR, with the exception that PSE&G would pay rent to the Port Authority if power through the substation is supplied to non-Port Authority or non-airport users.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with Public Service Electric and Gas Company (PSE&G) for approximately 3.29 acres of land area at Newark Liberty International Airport (EWR) in "as is" condition, commencing on or about January 1, 2016, for a term of the earlier of 20 years from the completion of construction of the new PSE&G 345-kilovolt substation at EWR or December 31, 2038, which would provide for the payment of rent by PSE&G in the event that PSE&G provides energy to non-Port Authority-related customers from the new substation, and associated agreements with private and public entities for related purposes, including, but not limited to, rights of entry for transmission lines servicing PSE&G at the leased site, all substantially in accordance 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 execute any other documents necessary or appropriate in connection with the foregoing; 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.

STEWART INTERNATIONAL AIRPORT – UNITED STATES DEPARTMENT OF AGRICULTURE, ANIMAL AND PLANT HEALTH INSPECTION SERVICE, VETERINARY SERVICES, NEW YORK ANIMAL IMPORT CENTER – NEW LEASE ASA-142

It was recommended that the Board authorize the Executive Director to enter into a new lease agreement with the United States of America, acting by and through the Administrator of the Animal and Plant Health Inspection Service of the United States Department of Agriculture (USDA), for the letting of approximately 2,897,977 square feet of ground area and approximately 87,526 square feet of enclosed building space for the operation of the New York Animal Import Center at Stewart International Airport (SWF) for a term of 20 years, commencing on or about September 5, 2015.

The USDA has been operating an animal import center at SWF pursuant to a prior 40-year lease, which commenced on September 5, 1975 and terminated on September 4, 2015 (Old Lease).

Over the term of the proposed new lease agreement, the Port Authority would receive total aggregate ground rental of approximately $4.8 million. Both the USDA and the Port Authority would have a mutual right to terminate, without cause, upon one-year's prior written notice. The lease would provide that the buildings within the New York Animal Import Center would remain the property of the USDA until the end of the term of the lease, or termination, whichever occurs first, subject and subordinate in all events to the terms and provisions of the SWF airport lease between the owner of SWF, the State of New York, acting by and through the New York State Department of Transportation, and the Port Authority.

The USDA would continue to be responsible for all operating and maintenance costs in connection with the leasehold and the improvements located thereon. The lessee would accept the leasehold in its present "as is" condition; however, the USDA would continue to be responsible for all obligations and liabilities which accrued under the Old Lease, including, by way of example, any environmental conditions which were exacerbated or created after the commencement of the Old Lease, and these would survive the expiration of the Old Lease.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with the United States of America, acting by and through the Administrator of the Animal and Plant Health Inspection Service of the United States Department of Agriculture, for the letting of approximately 2,897,977 square feet of ground area and approximately 87,526 square feet of enclosed building space, to operate as a New York Animal Import Center at Stewart International Airport, substantially in accordance with the terms outlined to the Board; and it is further
>
> **RESOLVED**, that the form of the foregoing agreement shall be subject to the approval of General Counsel or his authorized representative.

BROOKLYN-PORT AUTHORITIY MARINE TERMINAL – MANHATTAN BEER DISTRIBUTORS, LLC – LEASE BP-310 – SUPPLEMENT

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement to amend Lease BP-310 (Lease) with Manhattan Beer Distributors, LLC (Manhattan Beer), to allow Manhattan Beer to sublease its leasehold premises at the Brooklyn-Port Authority Marine Terminal (BPAMT), subject to the prior written consent of the Port Authority.

Manhattan Beer currently occupies Pier 7 at the BPAMT, consisting of approximately 269,900 square feet of warehouse space and 83,031 square feet of open area under the Lease, which expires on August 31, 2029. The original lessee of the premises, Phoenix Beverages MTO LLC, assigned the Lease to Manhattan Beer, and the Port Authority consented to such assignment and assumption, effective as of May 31, 2015.

Manhattan Beer has an affiliate, New York Cross Docking LLC (NYCD), which maintains a license to perform certain operations on behalf of Manhattan Beer as part of its beverage distribution operation. Manhattan Beer has requested that the Lease be amended to provide Manhattan Beer with the right to sublease its leasehold, subject to the prior written consent of the Port Authority. NYCD's right to perform the aforementioned services from the leased premises as a subtenant would be memorialized in a sublease, subject to the prior written consent of the Port Authority. The Lease supplement with Manhattan Beer would include a provision indicating that the Port Authority would retain any incremental revenues under any sublease beyond Manhattan Beer's rental obligations under the Lease.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a supplemental agreement to amend Lease BP-310 with Manhattan Beer Distributors, LLC (Manhattan Beer), to allow Manhattan Beer to sublease its leasehold premises at Pier 7 at the Brooklyn-Port Authority Marine Terminal, subject to the prior written consent of the Port Authority, substantially in accordance with the terms outlined to the Board, and to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further
>
> **RESOLVED,** that the form of all documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – TWA FLIGHT CENTER – LEASE AYE-428 – AUTHORIZATION OF LEASE TERMS

It was recommended that the Board authorize the Executive Director to enter into a new lease agreement with a joint venture of MCR Development LLC and JetBlue Airways Corporation (MCR/JetBlue Joint Venture), currently expected to be known as Flight Center Hotel LLC, for a 75-year term, covering the letting of the TWA Flight Center at John F. Kennedy International Airport (JFK), the historic former terminal building on approximately 5.8 acres of land, for the development and operation of a full-service hotel containing approximately 500 guest rooms, with associated services, including retail, conference space, spa, and food and beverage service facilities.

The TWA Flight Center, designed by renowned architect Eero Saarinen, was constructed in JFK's Central Terminal Area in 1962 and served as the Trans World Airlines (TWA) air terminal until 2001, when TWA ceased operations. At that time, the building already was obsolete as an air terminal, incapable of accommodating modern aircraft and passenger volume.

A request for proposals (RFP) for the adaptive reuse of the TWA Flight Center was issued in 2005 and again in 2011, without resulting in any final agreement with a developer. In the meantime, the Port Authority invested approximately $20 million to refurbish public sections of the landmarked building. A subsequent RFP, seeking a hotel developer/operator, was issued in August 2014 and resulted in the selection of Flight Center Hotel, LLC, a joint venture of JetBlue Airways Corporation and MCR Development, LLC, as the Preferred Proposer. The selection of the MCR/JetBlue Joint Venture was based on the favorable lease terms and conditions offered, the financial returns to the Port Authority (including a willingness to improve the offer in the course of pre-selection negotiations), the proposed capital investment and the developer's ability to close the transaction.

MCR Development LLC is the seventh largest hotel owner-operator in the United States, with 89 premium-branded hotels across 23 states.

JetBlue Airways Corporation operates from the Port Authority's four commercial airports, including at JFK, where it partnered with the Port Authority to develop its main hub at a redeveloped Terminal 5, which was completed in 2008.

The lease term would commence on or about June 1, 2016, with the payment of rent to commence no later than 30 months thereafter. Under the terms of the proposed lease, the MCR/JetBlue Joint Venture would pay the Port Authority a fixed rental and percentage rental based on gross sales, as well as percentage on sale or refinance above a specific threshold. The total aggregate rental over the term of the lease is estimated at approximately $70 million. The MCR/JetBlue Joint Venture also would invest approximately $265 million in the leasehold, which would include restoration of the historical TWA Flight Center, development of two adjacent hotel buildings and a microgrid energy management system.

The New York Airports Design Competition Advisory Panel has been briefed on the proposed development, and it was highlighted by Governor Andrew Cuomo at his July 27, 2015 announcement of the vision for the comprehensive redesign of LaGuardia Airport (LGA).

The Port Authority's lease with the City of New York (City) covering JFK and LGA expires in 2050, and because the proposed TWA Flight Center lease would extend beyond that year, the developer is seeking an Agreement to Enter into Lease from the City, which will require undergoing

the City's Uniform Land Use Review Procedure. The building is on the National Register of Historic Places, and there are ongoing discussions with the Redevelopment Advisory Committee members regarding the proposed development. Finally, the development of the hotel would entail changes to the Airport Layout Plan, which would require Federal Aviation Administration approval following an Environmental Assessment.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voting in favor; Commissioner James 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, to enter into a new lease agreement, for a 75-year term, with a joint venture of MCR Development LLC and JetBlue Airways Corporation for the development and operation of a full-service hotel at the site of the TWA Flight Center at John F. Kennedy International Airport, the historic former terminal building on approximately 5.8 acres of land, substantially in accordance 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 enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT – FORMER HANGAR 12 SITE – WEST AREA LIGHTING – PROJECT AUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board authorize: (1) a project for the furnishing and installation of lighting on the former Hangar 12 site at John F. Kennedy International Airport (JFK), at an estimated total project cost of $4.1 million; and (2) the Executive Director to award Contract JFK-914.209 to Nagori Contracting Corp. to construct the project, at a total estimated construction cost of $2.9 million, inclusive of net cost work and extra work.

Constructed in 1957, Hangar 12 was a Trans World Airlines (TWA) maintenance hangar. Following the liquidation of TWA in 2001, the hangar was utilized by the Port Authority for the storage of maintenance equipment.

At its special meeting of April 29, 2010, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized Phase I of a program to provide for the demolition of certain obsolete structures at JFK, which included the demolition of Hangar 12 in order to make approximately ten acres of land available to accommodate expanded airside operations. The Hangar 12 site is ideal for an aircraft holding area and a centralized deicing facility.

At present, only a portion of the site has lighting levels that allow for aircraft use at night. The proposed project would provide for the furnishing and installation of lighting fixtures and for related work to make the site usable at night. The project would support ongoing efforts to maximize the use of airside areas at JFK.

Bids for Contract JFK-914.209 were solicited from a list of Port Authority-certified Minority Business Enterprises. Nagori Contracting Corp. was the lowest bidder in response to the solicitation for bids.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner 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 the furnishing and installation of lighting on the former Hangar 12 site at John F. Kennedy International Airport (JFK), at an estimated total project cost of $4.1 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 a contract to Nagori Contracting Corp. for the construction of the foregoing project, at a total estimated construction cost of $2.9 million, inclusive of net cost work and extra work; 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 other 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.

LINCOLN TUNNEL - HELIX REPLACEMENT – PHASE 2 – PLANNING AUTHORIZATION AND RETENTION OF EXPERT PROFESSIONAL ENGINEERING SERVICES

It was recommended that the Board authorize: (1) Phase 2 planning work for the replacement of the Lincoln Tunnel Helix (Helix), at an estimated total cost of $7.9 million; and (2) the Executive Director to award a professional engineering consultant services agreement to the highest-rated proposer for related concept development, including performance of alternatives analysis and environmental and traffic studies with regard to conditions at the existing and proposed replacement Helix, at an estimated amount of $3.85 million, inclusive of a contingency.

The Helix, which was constructed in 1937, connects the Lincoln Tunnel to several major New Jersey highways, including the New Jersey Turnpike, U.S. Routes 1 and 9 and New Jersey Routes 3 and 495. The replacement of the current Helix with a new design would provide for a new, full asset life replacement of this facility, thereby providing safe, reliable vehicular access to the Lincoln Tunnel for many years to come.

A state-of-good-repair structural rehabilitation and repaving project for the Helix, which was authorized by the Board at its meeting of December 7, 2010 and is forecast for completion in the fourth quarter of 2015, will ensure the continued safe operation of the existing Helix and extend the service life of the structure for approximately ten years.

At its meeting of October 2, 2008, the Board authorized, among other things, an estimated $5.2 million in planning work for conceptual engineering services in connection with the future replacement of the Lincoln Tunnel Helix. That planning effort included the development of six concepts for the replacement of the Helix (collectively referred to as Concepts A through F). Based on initial reviews of the alternatives, further concepts will be developed and reviewed with the local Technical Advisory Committee established for the purpose of ensuring that the interests of the local community are considered as part of the planning effort.

The proposed Phase 2 planning authorization would evaluate two additional designs as well as review the merits of the initial concepts for the replacement Helix, arrive at a preferred alternative (in conjunction with the Technical Advisory Committee) and develop traffic and environmental impact projections associated with the Helix replacement program. The scope of services to be provided by the consultant to be retained for the Phase 2 planning effort includes the development of two new conceptual designs, as well as the performance of traffic and stormwater management studies and the preparation of an Environmental Assessment compliant with federal and state laws and regulations. The Phase 2 planning effort also would take into account the Port Authority Bus Terminal Master Plan initiative and alternatives that may emerge from that effort.

The consultant would be selected via a publicly advertised Request for Proposals process, with award to the highest-rated proposer.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner 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 Phase 2 planning work for the replacement of the Lincoln Tunnel Helix (Helix), at an estimated cost of $7.9 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 a professional engineering consultant services agreement to the highest-rated proposer in support of the foregoing planning work, including performance of alternatives analysis and environmental and traffic studies with regard to conditions at the existing and proposed replacement Helix, at an estimated amount of $3.85 million, inclusive of a contingency; 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 other 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 resolution adopted by the Board; and it is further

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

ONE WORLD TRADE CENTER – CHINA CENTER NEW YORK LLC – AUTHORIZATION OF AMENDED AND RESTATED LEASE

It was recommended that the Board authorize WTC Tower 1 LLC (WTC Tower 1) to enter into an Amended and Restated Agreement of Lease (Amended Lease) with China Center New York, LLC (CCNY) for an initial term of approximately 20 years and covering approximately 35,000 rentable square feet (rsf) of space located on the 89th floor of One World Trade Center (One WTC) and approximately 5,000 usable square feet (usf) of mechanical and below-grade support space in One WTC, which would amend CCNY's existing lease, dated as of March 26, 2009. CCNY would have up to two, ten-year renewal options under the Amended Lease.

At its meeting of June 30, 2008, the Board authorized a lease with CCNY for five mid-level contiguous floors in One WTC, with an option for CCNY to lease up to an additional two contiguous full floors on the same terms and conditions. On March 26, 2009, the Board authorized the final terms of the lease between the predecessor-in-interest to WTC Tower 1 and CCNY, which provided for a 20-year lease term covering approximately 190,810 rsf on a portion of the 64th floor and the entire 65th through 69th floors, and approximately 4,921 usf of mechanical and below-grade storage space in One WTC.

Since 2009, CCNY has made major revisions to its business model on which its plans for the One WTC space were based, to ensure a sustainable business plan. Working with the Port Authority and The Durst Organization (Durst), CCNY has developed a revised plan for space at One WTC, which will require a reduced leasehold consisting of approximately 35,000 rsf of office space and approximately 5,000 usf of mechanical and support space at One WTC.

As part of the Amended Lease, CCNY would reimburse the Port Authority for amounts spent by the Port Authority on tenant improvements in connection with CCNY's original lease premises, subject to a deduction for a tenant improvement allowance under the Amended Lease. Under the Amended Lease, CCNY would be solely responsible for all fit-out costs.

The term of the Amended Lease would commence on turnover of the space to CCNY. The total aggregate rental over the term of the Amended Lease is estimated to be approximately $72.8 million.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner 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 the Board authorizes WTC Tower 1 LLC to enter into an Amended and Restated Agreement of Lease with China Center New York LLC (CCNY) for the letting of approximately 40,000 square feet of office, mechanical and support space in One World Trade Center for an approximately 20-year term, with CCNY to have up to two, ten-year renewal options, which will amend CCNY's existing lease dated as of March 26, 2009, substantially in accordance with the terms outlined to the Board; and it is further

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

PROPOSED PORT AUTHORITY RECUSAL POLICY

So as to meet the highest ethical standards, Commissioners must avoid not only actual conflicts of interest between their private interests and those of the public, but also the appearance of a conflict. To determine what constitutes a conflict of interest or the appearance of one, the following should serve as guidelines. It is for each Commissioner, after his/her voluntary consultation with the Special Counsel to the Governance and Ethics Committee of the Board, to make his/her own determination of whether a conflict, or the appearance of one, exists, based on the relevant facts and circumstances.

If a Commissioner has, in his or her direct control, a direct interest in a security or other investment interest in a corporation or other entity that has a matter before the Board for a vote, or he/she has knowledge that he/she or a close family member (i.e., spouse or minor child or grandchild) beneficially owns a security or other investment interest in a corporation or other entity that has a matter before the Board for a vote, and that security or other investment interest is valued at either: (a) $100,000 or more; or (b) 1% or more of the Commissioner's portfolio, he/she should recuse from voting on the matter. Securities and other investment interests managed by independent investment managers who have investment discretion shall be excluded from this provision.

No recusal is necessary when a vote affects a financial institution in which a Commissioner has a "passive" interest. Examples of such interests include checking accounts, money market accounts, brokerage accounts, discretionary managed pension or trust accounts, mutual funds, mortgages, or lines of credit with fixed terms for fixed periods of time. If, however, the terms of the interest are subject to "near-term" (i.e., within one year) negotiation or renegotiation between the Commissioner and the financial institution, and such negotiation or renegotiation could impact the Commissioner's net worth or income by more than 1%, the Commissioner should recuse from voting on the matter.

If a Commissioner is a partner, or has the equivalent financial participation, in a law firm or another business like a consulting or accounting firm that is representing one of the firm's clients with respect to a matter that is the subject of a Board vote, even if the Commissioner himself/herself is not involved in that representation, to avoid the appearance of a conflict of interest the Commissioner should nonetheless recuse from voting on the matter. If a firm other than the Commissioner's firm is representing a client with respect to a matter that is the subject of a Board vote and the Commissioner's firm represents that client on unrelated matters, to avoid the appearance of a conflict of interest the Commissioner should recuse from voting on the matter, if the client accounts for either $1 million or 2% of the firm's gross revenues.

If a Commissioner decides to recuse himself/herself from voting on a particular matter for any reason, he/she should not participate in any discussion or vote concerning that matter. As part of the roll call for the meeting at which the matter is to be considered, such Commissioner should place his/her recusal on the record. Prior to any substantive discussion of the matter, such Commissioner should leave any non-public portion of the Board or Committee meeting until consideration of the matter is concluded.

A Commissioner should not negotiate a transaction on behalf of the Port Authority or otherwise represent the Port Authority in outside business dealings with respect to a matter that is likely ultimately to be voted on by the Board; if, however, the transaction is between the Port Authority and another government agency, a Commissioner may, with authorization by the Board, advise and accompany staff members at meetings. While, of course, a Commissioner is free to have a meeting with whomever he/she pleases, to avoid the appearance of a conflict of interest, he/she should refrain from any substantive discussion of matters that will, or are reasonably likely to, come before the Board for a vote. Outside parties wishing to have such a discussion should be referred to Port Authority staff. If a substantive discussion nonetheless occurs, the Commissioner should report the substance of that discussion to the Chairman or the Executive Director, who should then report same to the Board.

A Commissioner whose term of service ends may not advise, appear as a paid advocate before, do business with, or represent another in a lawsuit against the Port Authority for one year after his/her term of service ends. A Commissioner may not advise, appear as a paid advocate before, do business with, or represent another in a lawsuit against the Port Authority on a specific matter on which he/she previously voted or otherwise substantially participated for five years after his/her term of service ends.

Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voted in favor to adopt the recusal policy as described in the foregoing report. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

Whereupon, the meeting was adjourned.

_____

Secretary