

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, April 24, 2013

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**MINUTES of the Annual Meeting of The Port Authority of New York and New Jersey held
Wednesday, April 24, 2013 at 225 Park Avenue South, City, County and State of New York**

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
Hon. Richard H. Bagger
Hon. Anthony J. Sartor
Hon. William P. Schuber
Hon. David S. Steiner

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

Susan M. Baer, Director, Aviation
Matthew Bell, Special Assistant to the Deputy Executive Director
James E. Blackmore, Program Director, Tunnels, Bridges and Terminals
Steven J. Coleman, Deputy Director, Media Relations
Philippe Danielides, Senior Advisor to the Chairman
Stephanie E. Dawson, Acting Chief Operating Officer
Michael B. DeGidio, Program Director, Chief Security Office
Gerard A. Del Tufo, Assistant Director of Development and Operations, Real Estate and
Development
John C. Denise, Audio Visual Supervisor, Marketing
Claudia Dickey, Assistant Director, Public Safety
Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
Daniel D. Duffy, Senior Business Manager, Office of the Secretary
Joseph P. Dunne, Chief Security Officer
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Michael B. Francois, Chief, Real Estate and Development
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
Lash L. Green, Director, Office of Business Diversity and Civil Rights
Linda C. Handel, Deputy Secretary
Mary Lee Hannell, Chief, Human Capital
Andrew T. Hawthorne, Director, Marketing
Anthony Hayes, Manager, Media Planning, Media Relations
Mark Hoffer, Director, New Port Initiatives, Port Commerce Department
Howard G. Kadin, Esq., Law
Stephen Kingsberry, Director, Rail Transit
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Richard M. Larrabee, Director, Port Commerce
John J. Liantonio, Senior External Relations Client Manager, Government and Community Affairs
John H. Ma, Chief of Staff to the Executive Director
Lisa MacSpadden, Director, Media Relations
Stephen Marinko, Esq., Law
Ronald Marsico, Assistant Director, Media Relations
Michael G. Massiah, Director, Management and Budget

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
Hon. Jeffrey H. Lynford
Hon. Jeffrey A. Moerdler
Hon. James P. Rubin

Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Christopher J. Mohr, Executive Business Manager, Office of the Secretary
 Anne Marie C. Mulligan, Treasurer
 Joann S. Papageorgis, Program Director, Tunnels, Bridges and Terminals
 Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
 Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
 Daniel Portuese, Senior Project Manager, Chief Security Office
 Alan L. Reiss, Deputy Director, World Trade Center Construction
 Juan Carlos Rojas, Senior External Relations Representative, Government and Community Affairs
 Jessica D. Russ, Associate Board Management and Support Specialist, Office of the Secretary
 Cruz C. Russell, Strategic Advisor, Government and Community Affairs
 John F. Ryan, Acting Chief, Public Safety
 Brian W. Simon, Director, Government and Community Affairs, New York
 Laurie Spencer, Special Purchases Project Manager, Procurement
 Timothy G. Stickelman, Assistant General Counsel
 Gerald B. Stoughton, Director, Financial Analysis
 Robert A. Sudman, Director, Audit
 Albert A. Terriego, Manager of Program Planning & Analysis, Chief Security Office
 Ralph Tragale, Assistant Director, Public Affairs, Aviation
 David B. Tweedy, Chief, Capital Programs
 I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office
 Christopher M. Valens, Senior Public Information Officer, Media Relations
 Lillian D. Valenti, Director, Procurement
 Michael L. Valletta, Assistant Director, Capital Construction Programs, Tunnels Bridges and Terminals
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
 David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
 William J. Young, Senior External Relations Client Manager, Tunnels, Bridges and Terminals
 Peter J. Zipf, Chief Engineer

Guests:

Nicole Crifo, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey
 John J. Drobny, Former Director, Security Projects, Office of the Chief Operating Officer
 Regina Egea, Director, Authorities Unit, Office of the Governor of New Jersey
 MaryAnn Liberatore
 Jeanine M. Thompson, Assistant Secretary for Transportation, State of New York

Speakers:

Richard T. Anderson, New York Building Congress
 Phillip Beachem, President, New Jersey Alliance for Action
 Murray Bodin, Member of the Public
 Joseph Curto, New York Shipping Association
 Margaret Donovan, Twin Towers Alliance
 Michael Frost, Member of the Public
 Richard Hughes, Twin Towers Alliance
 Jerry Keenan, New Jersey Alliance for Action
 Patricia A. Lewis, Member of the Public

Assefash Makonnen, Transportation Alternatives
John Nardi, New York Shipping Association
Deborah O'Brien, Member of the Public
Michael A. O'Brien, Police Officer, Port Authority
Jackson Scott, Member of the Public
Anthony Stramaglia, Member of the Public
Neile Weissman, Member of the Public

The public meeting was called to order by Chairman Samson at 1:47 p.m. and ended at 3:14 p.m. The Board met in executive session prior to the public session. Commissioners Rubin and Sartor were present for the executive session and a portion of the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of March 20, 2013. 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 March 21, 2012. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on April 5, 2013.

Whereupon, the Board unanimously approved the Minutes of the meeting of March 20, 2013, including the Minutes of the special meeting of the Committee on Operations.

Report of Committee on Governance and Ethics

The Committee on Governance and Ethics (Committee) reported, for information, on matters discussed in public session at its meeting on April 24, 2013, which included annual reviews pursuant to the By-Laws and the Committee's Charter, and the report was received.

Report of Committee on Security

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on April 24, 2013, which included matters involving public safety or law enforcement, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on April 24, 2013, which included discussion of matters related to the development of future Port Authority facilities or projects (or the redevelopment of existing facilities or projects) when public disclosure may impact on property values, and the report was received.

Report of Committees on Operations and Finance

The Committees on Operations and Finance reported, for information, on matters discussed in public and executive sessions at their joint meeting on April 24, 2013, which included discussion of staff overtime results for the first quarter 2013, and discussion of matters related to personnel and personnel procedures, 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 April 24, 2013, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and matters in which the release of information could impair a right to receive funds from the United States or other grantor, 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 public and executive sessions at its meeting on April 24, 2013, which included discussion of certain contracts and agreements in connection with the continued development of the World Trade Center site; and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and 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 and executive sessions at its meeting on April 24, 2013, which included discussion of a project to address the navigational air draft clearance limitations of the existing Bayonne Bridge and enhance roadway safety; a project to advance the Goethals Bridge Modernization Program; a project for pavement replacement at the Outerbridge Crossing; and a program for the design and construction of certain runway area safety enhancements at LaGuardia Airport; and discussion of matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and the report was received.

Report of Nominating Committee

During the course of the meeting, the Nominating Committee submitted its report, and the report was received and is included with these minutes.

Report of Special Meeting of Committee on Operations

In view of the fact that, as a result of prospective recusals, there would not be a sufficient number of Commissioners present for the Board to consider certain items on the agenda at its meeting on April 24, 2013, consistent with the Port Authority's By-Laws, a special meeting of the Committee on Operations was held. At the meeting, the Committee acted for and on behalf of the Board on the items. A copy of the minutes of the special meeting of the Committee on Operations held on April 24, 2013 is included with these minutes.

ELECTION OF OFFICERS

Chairman Samson announced that, in accordance with the provisions of the By-Laws, the election of officers was in order.

Commissioner Sartor, as Chair of the Nominating Committee, submitted the following report:

"On behalf of the Nominating Committee, I desire to report that at its meeting held earlier today, in accordance with the provisions of Article VII of the By-Laws, the Committee, by unanimous action, submits the nominations for election to the offices of Chairman and Vice-Chairman of The Port Authority of New York and New Jersey of Commissioners David Samson and Scott H. Rechler, respectively. By unanimous action, the Committee also submits the nominations of Patrick J. Foye as Executive Director, William Baroni as Deputy Executive Director and Darrell Buchbinder as General Counsel of the Port Authority. By unanimous action, the Committee also submits the nominations of Karen E. Eastman as Secretary, Elizabeth M. McCarthy as Chief Financial Officer, Daniel G. McCarron as Comptroller and Anne Marie C. Mulligan as Treasurer."

Pursuant to the foregoing report, with Commissioners Bagger, Lynford, Moerdler, Rechler, Rubin, Samson, Sartor, Schuber and Steiner voting in favor, the following were unanimously elected as officers of the Port Authority: Commissioner David Samson as Chairman, Commissioner Scott H. Rechler as Vice-Chairman, Patrick J. Foye as Executive Director, William Baroni as Deputy Executive Director, Darrell Buchbinder as General Counsel, Karen E. Eastman as Secretary, Elizabeth M. McCarthy as Chief Financial Officer, Daniel G. McCarron as Comptroller and Anne Marie C. Mulligan as Treasurer. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

AUDIT COMMITTEE ANNUAL REPORT

Commissioner Steiner, as Chair of the Audit Committee, submitted the following report:

In accordance with the By-Laws and its Charter, the Chair of the Audit Committee periodically reports on the activities of the Audit Committee. Currently the Audit Committee is comprised of me as Chair, Commissioner Moerdler as Vice-Chair, and Commissioners Lynford and Bagger.

Since last April, the Audit Committee met four times. Senior Port Authority financial, audit, investigative, governance and legal staff, as well as representatives of the Audit Committee's outside counsel and our independent auditors, regularly attend Audit Committee meetings. Consistent with the Audit Committee's policy that the independent auditors and members of the Audit Committee have direct and unrestricted access to each other, a portion of each meeting is conducted with only outside counsel and the independent auditors present.

In September 2012, the Audit Committee reviewed its Charter, and a revised Charter was adopted and subsequently approved by the Board of Commissioners later that month. The Charter provides guidelines that the Audit Committee shall follow in connection with carrying out its responsibilities under the By-Laws of the Port Authority.

The Audit Committee is responsible for the annual retention of the Authority's independent auditors. In December 2011, the Audit Committee after due deliberation, determined that auditor rotation was appropriate. To that end, the Audit Committee retained KPMG LLP as the authority's independent auditors for the year ending December 31, 2012. The Committee has reviewed and determined KPMG LLP's performance with respect to the 2012 audit to be satisfactory. The Committee would like to take this opportunity to thank senior staff for its leadership in transitioning to new independent auditors.

Our Committee reviews, in detail, the Authority's audited financial statements prior to their release to external stakeholders and inclusion in the Comprehensive Annual Financial Report, and makes such other inquiries in connection with the audited financial statements, as it considers appropriate. The independent auditors have advised the Committee that they encountered no difficulties during the course of their audit, including restrictions on the scope of work or access to required information, and that there were no disagreements with staff in connection with the 2012 financial statements.

In addition, the Committee was pleased to learn that for the 28th consecutive year, the Port Authority was recognized by the Government Finance Officers Association (GFOA) for excellence in governmental accounting and financial reporting in connection with the Port Authority's 2011 Comprehensive Annual Financial Report.

The Committee continues to be actively engaged with staff concerning the Port Authority's agency-wide Enterprise Risk Management (ERM) program, which identifies, quantifies and mitigates various business risks. While there is much more to do to achieve our goals as they relate to ERM, the Committee is pleased with the continuing progress to date, and appreciates the efforts of staff in proactively integrating ERM into the agency's business processes.

The Audit Committee also oversees the Internal Audit function within the Port Authority. In addition to maintaining Internal Audit's role in reviewing internal controls and ensuring that vendors are not overcharging the Port Authority and that amounts due the Port Authority are properly collected, Internal Audit has focused on business process improvement and identifying savings within the Port Authority. Under the leadership of Robert Sudman, these additional efforts are bearing fruit and resulting in improved efficiencies and the installation of best practices. Bob and his talented team are to be commended on embracing these added responsibilities and the professional manner in which they are executing them. The Audit Committee also worked with the Special Committee of the Board of Commissioners that was formed to conduct a full review of the Authority's past and current governance, management and financial practices and their advisors to help identify inefficiencies and establish best practices. The Audit Committee continues to work to identify areas for improvement.

The Audit Committee also reviews reports prepared by the Office of Inspector General and accounts receivable reports prepared by the Treasury Department. In addition, as Chair of the Audit Committee, I review the expense accounts of the Executive Director and members of the Board of Commissioners for conformance with established agency expenditure and reimbursement guidelines.

The Committee believes that reasonable processes and controls are in place to mitigate business risk, and there is a reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of Port Authority personnel.

Lastly, the Committee would like to recognize the talent and commitment of our financial and investigative professionals, who through their hard work and dedication facilitate the Audit Committee's oversight responsibilities as they relate to the quality and integrity of the Port Authority's framework of internal controls, compliance systems and accounting, auditing, and financial reporting processes. We welcome the new leadership of Chief Financial Officer Elizabeth McCarthy, who has already become an integral part of the team and contributed to our work; we look forward to continuing to work with her.

As a closing matter, both on behalf of the Audit Committee and personally, I would like to take this opportunity to acknowledge and thank Mike Fabiano for his over 36 years of service to this Authority. Mike has served this Authority well and, in his years of direct service to the Audit Committee as Comptroller and Chief Financial Officer, Mike has embraced the initiatives of this Committee and been an invaluable partner in our work. His sound judgment, personal integrity and can-do attitude have been greatly appreciated. We will miss him, but we wish him all the best in his retirement.

GOVERNANCE AND ETHICS COMMITTEE ANNUAL REPORT

Commissioner Schuber, as Chair of the Governance and Ethics Committee, submitted the following report:

The Governance and Ethics Committee reports periodically on the activities of the Committee. At the present time, the Committee consists of Commissioners Moerdler, Rosado and Sartor, in addition to myself.

Pursuant to Section VIII of the Port Authority's By-Laws and the Governance and Ethics Committee Charter, the Committee has oversight of questions relating to the development of, and compliance with, governance and ethics principles of the Port Authority.

The Committee ensures that the Board and staff are familiar with and committed to the ethics principles and programs that have been adopted by the Port Authority and assists the Board in fulfilling its oversight responsibility relating to the Port Authority's compliance with legal and regulatory requirements.

During 2012, the Governance and Ethics Committee met four times. The Committee reviewed and modified its Charter, which is consistent with best corporate practices approaches for governance committees, and translates the Committee's responsibilities into an action plan for Committee activities that is divided into three broad areas of oversight, including governance, ethics and compliance. Consistent with the By-Laws and its Charter requirements, the Committee reviewed and discussed ethics policies for Commissioners. The Committee discussed matters that included review of legal and regulatory requirements, a discussion on bi-state and corporate trends in governance and ethics, and a discussion of various methods for the review and evaluation of the Board and its Committees. The Committee has been kept apprised of the agency's Enterprise Risk Management Program.

The Committee also received a report from Inspector General Robert Van Etten, and is confident that the Office of Inspector General continues to be independent and free from interference in the conduct of its responsibilities. In accordance with its Charter, the Committee conducted a number of annual reviews including the review and evaluation of the performance of the Board and its members, the effectiveness of the Board's Committees, and the Executive Director's performance, as well as a review of the independence and objectivity of the members of the Board and its Committees. The Committee is confident that the Board and its Committees are operating in an efficient and independent manner and that the Executive Director is effectively managing the operations of the Port Authority, consistent with policies established by the Board.

The Governance and Ethics Committee is dedicated to working with the Audit Committee to ensure the matters and trends identified in audit reports and the Office of Investigations are addressed in a way that fosters compliance with legal and regulatory requirements.

The Committee believes that reasonable processes and controls are in place to ensure the integrity of staff and the Board, that there is a reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of Port Authority personnel, and that the Port Authority is conducting its business in a manner that ensures public confidence.

LAGUARDIA AIRPORT – RUNWAY AREA SAFETY ENHANCEMENTS PROGRAM – PROGRAM AUTHORIZATION

It was recommended that the Board authorize: (1) a LaGuardia Runway Area Safety Enhancements Program (Program) for the design and construction of certain runway area safety enhancements at LaGuardia Airport (LGA), at an estimated total Program cost of \$202.9 million, which would include: (a) design and construction of deck extensions at the approach ends of Runways 13 and 22, at a total estimated project cost of \$119.1 million; (b) installation of Engineered Material Arrestor Systems (Arrestor Systems) at the ends of the extended decks for Runways 13 and 22, at a total estimated project cost of \$23.2 million; (c) design and construction of a restricted vehicle service roadway (Restricted Roadway) around the south end of Runway 4, at a total estimated project cost of \$57.5 million; and (d) planning and design of a contractor mobilization and laydown area within the boundaries of LGA, at an estimated planning cost of \$3.1 million; and (2) the Executive Director to: (a) award Contract LGA-124.185 to perform the design and construction of deck extensions at the approach ends of Runways 13 and 22, at an estimated construction cost of \$74.4 million; (b) enter into a contract for the design and construction of two Arrestor Systems with Zodiac Aerospace (or an affiliate thereof); (c) award Contract LGA-124.195 to perform the construction of a Restricted Roadway around the south end of Runway 4, at an estimated construction cost of \$35.2 million; and (d) submit an application to the Federal Aviation Administration (FAA) for the collection and use of up to an additional \$41 million in Passenger Facility Charges (PFCs) for expenditures in connection with the foregoing Program, which is the balance above the funding level of \$161.9 million for PFC applications previously approved by the FAA for this Program.

Project for Deck Extensions for Runways 13 and 22

Federally designated airports must comply with a Congressional mandate to meet FAA standards for Runway Safety Areas (RSAs) by the end of December 2015. Generally, a RSA is a rectangular graded area that extends 250 feet on each side of the runway's centerline and 1,000 feet beyond a runway's end, which is intended to serve as a buffer zone for aircraft excursions from the runway. As an alternative for airports such as LGA, with limited airport property to accommodate a standard 1,000-foot RSA, the FAA permits the installation of an Arrestor System to decelerate and stop aircraft that overrun a runway. In order not to limit LGA's operational capacity, the proposed project would require structurally extending the decks for Runways 13 and 22 to accommodate the related Arrestor System project. The proposed scope of work for the runway deck extension project includes the design and construction of pile-supported structural beams with a cast in-place concrete deck surface.

The proposed authorization also includes the award of Contract LGA-124.185 to construct the deck extensions, which would be procured via a publicly advertised process, with award to the lowest qualified bidder.

Project for Installation of Engineered Material Arrestor Systems

The project provides for installation of Arrestor Systems (consisting of lightweight, crushable concrete) at the ends of the extended decks for Runways 13 and 22, to comply with RSA requirements at space-constrained airports. LGA currently has two such systems at the approach ends of Runways 4 and 31. The currently proposed project is required to meet the Congressional mandate at LGA for Runways 13 and 22.

The contract for the design and installation of the two Arrestor Systems would be negotiated with Zodiac Aerospace (or an affiliate thereof), due to the proprietary nature of the technology and an FAA requirement to use Zodiac Aerospace (or an affiliate thereof), the sole approved contractor.

Construction of the runway deck extensions and Arrestor Systems would be completed during nights and weekends, to minimize disruption to airport operations.

Project for Restricted Vehicle Service Road on the South End of Runway 4

The project provides for the construction of a continuous Restricted Roadway around the approach end of Runway 4, which is a critical safety enhancement consistent with the FAA's National Runway Safety Plan, and would minimize the potential for runway incursions. By connecting the existing bifurcated Restricted Roadway located on the east and west sides of Runway 4-22, authorized vehicles would be able to traverse the aeronautical area without having to seek authorization to cross the runway or exit and re-enter public roadways. The proposed project would benefit airport operations safety by removing fuel truck traffic from public roads.

The proposed authorization also would include the award of Contract LGA-124.195 to construct the Restricted Roadway, which would be procured via a publicly advertised process, with award to the lowest qualified bidder.

Planning for Contractor Mobilization and Laydown Area

Due to limited space availability at LGA and the surrounding environs, the proposed Program includes \$3.1 million for the planning and design of a contractor mobilization and laydown area that would optimize construction staging to support the implementation of the Program, as well as certain other projects at LGA.

The FAA has approved the collection and use of a total of \$161.9 million in PFC funding for this Program. The proposed authorization would amend the previous PFC approvals to provide for up to \$41 million in additional authority for program expenditures. Any costs not funded by PFCs would be fully recoverable through flight fees.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Rechler, Samson, 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 LaGuardia Runway Area Safety Enhancements Program (Program) for the design and construction of certain runway area safety enhancements at LaGuardia Airport (LGA), at an estimated total Program cost of \$202.9 million, which would include: (1) design and construction of deck extensions at the approach ends of Runways 13 and 22, at a total estimated project cost of \$119.1 million; (2) installation of Engineered Material Arrestor Systems (Arrestor Systems) at the ends of the extended decks for Runways 13 and 22, at a total estimated project cost of \$23.2 million; (3) design and construction of a restricted vehicle service roadway (Restricted Roadway) around the south end of Runway 4, at a total estimated project cost of \$57.5 million; and (4) planning and design of a contractor mobilization

and laydown area within the boundaries of LGA, at an estimated planning cost of \$3.1 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: (1) award Contract LGA-124.185 for the construction of the deck extensions at the approach ends of Runways 13 and 22 at LGA, at an estimated construction cost of \$74.4 million; (2) enter into a contract for the design and construction of two Arrestor Systems with Zodiac Aerospace (or an affiliate thereof); (3) award Contract LGA-124.195 for the construction of a Restricted Roadway around the south end of Runway 4, at an estimated construction cost of \$35.2 million; and (4) submit an application to the Federal Aviation Administration (FAA) for the collection and use of up to an additional \$41 million in Passenger Facility Charges (PFCs) for expenditures in connection with the foregoing Program, which is the balance above the funding level of \$161.9 million for PFC applications previously approved by the FAA for the foregoing Program; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing Program, 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, agreements and documents in connection with the foregoing Program shall be subject to the approval of General Counsel or his authorized representative.

NEWARK LIBERTY INTERNATIONAL AIRPORT – PROJECT FOR NAVIGATION AIDS IMPROVEMENTS TO RUNWAYS 4L, 22L AND 22R – AUTHORIZATION OF ADDITIONAL FUNDS

It was recommended that the Board authorize: (1) the expenditure of \$3 million in support of the completion of Navigation Aids (NAVAIDS) improvements to Runways 4L, 22L and 22R at Newark Liberty International Airport (EWR); and (2) the Executive Director to: (a) increase, by an estimated amount of \$1.3 million, inclusive of net cost work and extra work (the cost of which is included within the total requested amount), the amount of Contract EWR-154.031, in order to complete the foregoing project; and (b) submit an amendment to the existing documents pursuant to which the Federal Aviation Administration (FAA) has approved the collection and use of Passenger Facility Charges (PFCs) for expenditures in connection with the foregoing project, to increase, by up to \$4.75 million, the amount of PFCs the Port Authority is permitted to collect and use for project expenditures, which would result in a total PFC application funding level of \$22.75 million.

At its meeting of November 20, 2008, the Board authorized a project to undertake improvements to the existing NAVAIDS systems on Runways 4L, 22L and 22R at EWR, with the necessary ground radio antenna (glide slope) equipment and high intensity lighting to enable safe approaches during low ceilings or reduced visibility due to fog, rain or snow at EWR, at an estimated total cost of \$19.75 million. The proposed improvements are necessary to enhance the operational capacity of the airport by providing additional navigation support during reduced visibility conditions.

In August 2010, the Executive Director authorized the award of Contract EWR-154.031 to H.B.C. Company, Inc. for work on the NAVAIDS improvements to Runways 4L, 22L and 22R, at an estimated cost of \$12.8 million. By the first quarter of 2012, approximately 70 percent of the contract work was completed and turned over to the FAA for use. The contract is now approximately 95 percent complete, and the remaining equipment is scheduled to be turned over to the FAA for operation in the second quarter of 2013.

The increase in project costs is primarily due to: modifications in contract scope required by the FAA; FAA support costs that are higher than originally anticipated; and increases in planned staff costs as a result of the project scope changes. Specifically, changes in FAA regulations during contract implementation dictated changes in equipment grounding details, which required additional wiring and concrete-encased conduit. Changes also included an increase in the size of light housings and the use of additional control cabinets, which also contributed to increased construction costs.

The FAA has approved the use of \$18 million in PFCs for capital costs in connection with this project. The proposed amendment to the PFC authorization would permit the collection and use of up to an additional \$4.75 million in PFCs for project expenditures. Any costs not funded by PFCs are fully recoverable through flight fees.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Rechler, Samson, 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 expenditure of \$3 million in support of the completion of Navigation Aids improvements to Runways 4L, 22L and 22R at Newark Liberty International Airport, resulting in a total project authorization amount of \$22.75 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 increase, by an estimated amount of \$1.3 million, inclusive of net cost work and extra work (the cost of which is included within the total requested amount), the amount of Contract EWR-154.031, in order to complete the foregoing project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to submit an amendment to the existing documents pursuant to which the Federal Aviation Administration (FAA) has approved the collection and use of Passenger Facility Charges (PFCs) for expenditures in connection with the foregoing project, to increase, by up to \$4.75 million, the amount of PFCs the Port Authority is permitted to collect and use for project expenditures, resulting in a total PFC application funding level of \$22.75 million; and it is further

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

BAYONNE BRIDGE – NAVIGATIONAL CLEARANCE PROGRAM – PROJECT AUTHORIZATION, CONTRACT AWARD AND AUTHORIZATION TO INCREASE EXISTING PROFESSIONAL SERVICES AGREEMENTS

It was recommended that the Board authorize: (1) a project (Project) to replace the main span roadway and approach structures of the Bayonne Bridge, as part of the Bayonne Bridge Navigational Clearance Program (BBNCP), to address the navigational air draft clearance limitations and enhance roadway safety through standard 12-foot lanes, a median divider and shoulders, at an estimated total project cost of \$1.29 billion; and (2) the Executive Director to: (a) award Contract AKB-264.039 for the construction of the Project to the joint venture of Skanska Koch, Inc./Kiewit Infrastructure Co., at an estimated amount of \$743,320,360; (b) establish allowances for extra work, a contingency, and certain contractor incentives under Contract AKB-264.039, and authorize the expenditure of such allowances as necessary; (c) increase, by \$15.7 million, the amount of an existing agreement with HDR Engineering Inc./PB Americas Inc. (HDR/PB) for expert professional architectural and engineering services to support the implementation of the Project; (d) authorize the expenditure of \$34 million in remaining funds from an existing agreement with Greenman Pedersen Inc. for construction management and related technical services to support the implementation of the Project; (e) execute documents and enter into agreements with public and private entities involving, among other matters, environmental commitments, utilities and utility relocations, applying for and obtaining permits and approvals, and municipal and other governmental and private processes, authorizations and consents; and (f) take action, as necessary, for the award of contracts for such other professional, technical and advisory services as may be necessary in connection with the implementation of the Project, including program management, environmental, technical, financial support, integrity monitoring, and construction-related services.

At its meeting of August 13, 2009, the Board authorized the expenditure of \$10 million for planning and conceptual engineering services and to perform a preliminary alternatives analysis of options to address the navigational clearance limitations posed by the Bayonne Bridge. Subsequently, the Board, at its meeting of September 14, 2010, authorized the provision of \$1 billion in Port Authority capital funding capacity for the BBNCP. In December 2010, upon review of the preliminary alternatives analysis of options, the Port Authority announced that it had selected the raising of the roadway as the best solution to the Bayonne Bridge navigational clearance limitation.

At its May 25, 2011 meeting, the Board authorized an increase of \$25 million in the amount of the planning authorization, to perform final planning and engineering design services for the BBNCP, resulting in a total authorization of \$35 million. Additionally, the Board authorized the Executive Director to enter into an agreement with HDR/PB, pursuant to a publicly advertised Request for Proposals process, to provide preliminary planning and engineering services for the BBNCP, in a total amount not to exceed \$9.3 million, inclusive of a contingency. At that time, funding of \$5.8 million was authorized to support Stages II and III, with the balance subject to further authorization.

On February 9, 2012, the Board authorized an increase of \$35 million in the amount of the planning authorization to perform final planning and engineering design services for the BBNCP, resulting in a total authorization of \$70 million. Additionally, the Board authorized an increase of \$25.4 million in the amount of the existing agreement with HDR/PB, for a revised agreement total of \$34.7 million, inclusive of a contingency, of which funding in the aggregate

amount of \$27 million (inclusive of \$5.8 million previously authorized to support planning work) was requested as part of the proposed increase in planning work to perform final design and construction support services. Funding for the contract subsequently was increased by \$2.5 million by the Chief Engineer, in order to provide for continued design services, for a revised total agreement amount of \$29.5 million to be expended in Stage III.

At its meeting of February 6, 2013, the Board authorized an increase of \$10 million in the amount of the planning authorization for the BBNCP, to perform final planning and engineering design services, resulting in a total authorization of \$80 million. Additionally, the Board authorized the expenditure of an additional \$2 million under the agreement with HDR/PB, in order to provide additional engineering design services during Stages II through III of the BBNCP, resulting in a total funding amount of \$31.5 million under that agreement. This increase was required to perform necessary additional unforeseen scope items that had developed during the course of the expedited Stage III final design phase.

Pursuant to the aforementioned planning authorizations previously approved in support of the BBNCP, staff has taken various actions, including those required to facilitate federal, state, and local permits and approvals, and environmental and historic resources reviews under the National Environmental Policy Act of 1969 (NEPA), the National Historic Preservation Act (NHPA), the New York State Environmental Quality Review Act (SEQRA) and New York City Environmental Quality Review (CEQR), as outlined further below. As required, the Port Authority has committed to implement specific historic preservation activities with respect to the BBNCP, under Section 106 of the NHPA.

The United States Coast Guard (USCG), an agency within the Department of Homeland Security, by virtue of its authority to consider the Port Authority's application to amend the extant Bridge Permit for the proposed BBNCP, is the lead federal agency in accordance with NEPA and its enabling regulations. A Draft Environmental Assessment (EA) has been prepared in accordance with NEPA, to evaluate the potential environmental impacts of the BBNCP and an alternative scenario in which the BBNCP is not undertaken (the "no-build alternative"). The Draft EA examines potential environmental impacts of the BBNCP and the no-build alternative on land use and social conditions, natural resources, economic conditions, historic and cultural resources, parklands and recreational resources, visual and aesthetic resources, transportation, air quality, climate change and greenhouse gas emissions, noise, hazardous and contaminated materials, as well as construction effects, coastal zone management, environmental justice and indirect and cumulative effects. The USCG published the Draft EA in the Federal Register on January 4, 2013, and provided an opportunity for public and agency comment, in writing and at a series of public meetings in Staten Island, New York and Bayonne and Newark, New Jersey.

The BBNCP has been listed as a project of National or Regional significance, and has been identified on the Federal Infrastructure Permitting Dashboard (Dashboard). Following the foregoing environmental review process, the USCG may issue a final EA and a Finding of No Significant Impact (FONSI) under NEPA, and then issue a USCG Bridge Permit amendment in May 2013, consistent with the target date identified in the Dashboard. Additionally, it is anticipated that agencies of the State of New York and the City of New York will comply with SEQRA and CEQR, respectively, allowing their respective authorizations in support of the Project.

Following issuance of the Draft EA review, the United States Environmental Protection Agency (EPA) provided comments to the USCG, and recommended that if the BBNCP is undertaken, certain actions be taken to account for the inherent uncertainty that port growth could be attributable to the BBNCP.

Although accurately forecasting any future effects that the BBNCP alone will have on port activity is not feasible, the Port Authority desires to support adjacent and nearby communities, and therefore is voluntarily committing to address the EPA's recommendations. The Port Authority is seeking to enter into a Memorandum of Agreement (MOA) with the New Jersey Department of Environmental Protection to implement certain commitments responsive to the EPA's recommendations. Other commitments made in the Draft EA are expected to be set forth in contract documents for the BBNCP.

The scope of work under the BBNCP to replace the main span roadway and approach structures of the Bayonne Bridge includes: replacement of the main span deck and approach structures, including necessary associated arch structural reinforcement work; local approach ramp reconstruction work; installation of new mechanical/electrical maintenance buildings to house supporting systems and equipment; installation of a maintenance storage building; toll gantry installation; bridge roadway storm water drainage system work; security work; site work; and permanent traffic and maintenance of traffic-work. A limited amount (not to exceed \$100,000) of non-field-related work would be initiated following award of Contract AKB-264.039. Other activities under Contract AKB-264.039 would not commence until the USCG has issued an amendment to the Bridge Permit and any environmental and regulatory review processes applying to specific activities have been completed.

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

RESOLVED, that a project (Project) to replace the main span roadway and approach structures at the Bayonne Bridge, as part of the Bayonne Bridge Navigational Clearance Program, at an estimated total project cost of \$1.29 billion, 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: (1) award Contract AKB-264.039 for the construction of the foregoing Project to the joint venture of Skanska Koch, Inc./Kiewit Infrastructure Co., at an amount of \$743,320,360, exclusive of allowances for extra work, a contract contingency and certain contractor incentives; (2) establish allowances for extra work, a contingency and certain contractor incentives under Contract AKB-264.039, and authorize the expenditure of such allowances as necessary; (3) increase, by \$15.7 million (from \$31.5 million to \$47.2 million), the amount of an existing agreement with HDR Engineering Inc./PB Americas Inc. for expert professional architectural and engineering services to support the implementation of the Project; (4) authorize the expenditure of \$34 million in remaining funds from an existing agreement with Greenman Pedersen Inc. for construction management and related technical services to support the

implementation of the Project; (5) execute documents and enter into agreements with public and private entities involving, among other matters, environmental commitments, utilities and utility relocations, applying for and obtaining permits and approvals, and municipal and other governmental and private processes, authorizations and consents; and (6) take action, as necessary, for the award of construction contracts, contracts for other professional, technical and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing Project, including, but not limited to, agreements for program management, environmental, technical, financial support, integrity monitoring, and construction-related services; 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.

GOETHALS BRIDGE MODERNIZATION PROGRAM – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project (Project) for the Goethals Bridge Modernization Program (GBMP), to advance the implementation and delivery of the replacement of the Goethals Bridge as a public-private partnership project, at an estimated total project cost of \$1.521 billion, which is comprised of \$934 million for the design and replacement of the Project, \$224 million for financing during construction and other construction-related costs and \$363 million in Port Authority-funded Project costs (inclusive of \$179 million previously authorized by the Board for Phase I project work); and (2) the Executive Director to: (a) enter into an agreement with NYNJ Link, a partnership of Macquarie Infrastructure and Real Assets, Inc. and Kiewit Development (the Developer), for the design, construction, financing and maintenance of the Project, with the total aggregate compensation to be provided to the Developer for its costs to implement and maintain the Project to be inclusive of: (i) post-construction interest expense on the amount of financing to be provided to the Port Authority by the Developer, with such interest rate to be established at financial close, and calculated off a base average interest rate of 5.18 percent per annum, to be adjusted based on certain factors, substantially in accordance with the terms outlined to the Board; and (ii) certain maintenance payments to be made over the term of the agreement which would be subject to annual escalation based on the Consumer Price Index (CPI) (total maintenance payments over the 40-year term are currently estimated at \$458 million based on an assumed annual CPI of 2.0 percent); (b) make milestone-based payments to the Developer, in an amount of up to \$150 million, during the latter stages of construction through completion of design and construction work and demolition of the existing bridge; (c) extend the existing agreement with HNTB Corporation (HNTB), for a term of up to six years, to provide continued professional and technical advisory services, on an as-needed basis, to support the Project, at an amount of up to \$40 million; (d) extend the existing agreement with URS Corporation (URS), for a term of up to six years, to provide continued professional program management support services, on an as-needed basis, to support the Project, at an amount of up to \$16 million; (e) enter into agreement(s), as necessary, to effectuate wetlands mitigation efforts in connection with the Project, including an agreement with Prologis Development Services Incorporated for the purchase of 1.017 wetlands mitigation credits in New Jersey, at an estimated amount of \$705,000; (f) take action with regard to the award of such contracts for professional, technical, financial, construction-related, integrity monitoring, and advisory services as may be necessary to implement the Project; and (g) execute such documents, agreements and contracts with public and private entities as are necessary to effectuate the Project.

The Goethals Bridge is a crucial asset to the region's productivity. Its strategic location, in the heart of a complex surface transportation network, provides truck and auto connections between the New Jersey Turnpike, U.S. Routes 1&9 and other New Jersey highways, the Staten Island Expressway (I-278), and the Verrazano-Narrows Bridge. The Goethals Bridge sustains the robust commercial activity of the Howland Hook Marine Terminal, and its proximity to Newark Liberty International Airport positions it at the center of one of the largest air cargo gateways in the nation. Despite increasing reliance on freight rail operations to move goods to and from these gateway areas, the major portion of these goods are transported by truck, making the Goethals Bridge essential to moving cargo to and from airports and seaports to regional hinterland markets.

Constructed in 1928 to then-current criteria and standards, the Goethals Bridge is now approaching functional obsolescence, and there is a need to replace the bridge with a more modern structure.

Via prior actions from September 2003 through February 2009, the Board authorized planning work to support the GBMP. During this planning phase, the bridge deck was rehabilitated in 2006, with the intention of ensuring that the deck would function adequately for approximately 10 years, while planning work and subsequent replacement of the bridge occurred.

On March 29, 2011, the Board authorized Phase I work for the Project, at a total estimated amount of \$126 million, inclusive of \$59.1 million previously authorized for Project planning, which included: seeking options for the purchase of property, executing right-of-entry agreements, and commencing pre-vesting condemnation processes; continuation of existing contracts and/or award of new contracts for professional services, program management support, environmental, technical, financial support, a relocation specialist and other work, including preparation of applications for permits and other documents; and work associated with the preparation and application for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, as well as an application to support the allocation of Private Activity Bonds (PABs) towards the Project.

At its meeting of November 15, 2011, the Board authorized an increase of \$53 million in the amount of the authorization for Phase I work, to provide for the acquisition of real property in New York and New Jersey in connection with the Project, bringing the total Phase I project authorization to \$179 million.

As part of its capital planning process, the Port Authority made a determination to pursue a public-private-partnership in connection with the replacement of the Goethals Bridge. On May 25, 2011, the Board authorized the solicitation of proposals for a contract to design, build, finance and maintain the Project. In June 2011, following a Request for Qualifications process, the Port Authority short-listed three teams deemed best qualified to participate in a Request for Proposals (RFP).

Concurrent with the RFP process, staff pursued federal financing options for use by the selected Developer as a source of funds to finance the Project, and on March 16, 2012 the Port Authority submitted its formal TIFIA loan application for the Project, in the amount of \$432 million, with a maximum loan amount not to exceed \$500 million. In addition, on June 27, 2012, the Port Authority submitted a PABs allocation request for the Project, in the amount of \$1.2 billion. Each of these federal financing applications was submitted to the United States Department of Transportation (USDOT), with the condition that the Developer would be the borrower for each instrument. The Port Authority received an allocation letter from USDOT regarding the provisional \$1.2 billion in PABs on January 2, 2013, based on an eligible conduit (not the Port Authority) issuing the PABs on behalf of the Developer. In addition, the TIFIA term sheet for the Project loan was endorsed by the USDOT's Credit Council on January 15, 2013, to include in the RFP for the Proposers if they elect to use TIFIA funds in their financing plan.

Three proposals were received and evaluated, in accordance with the evaluation criteria set forth in the RFP. Staff recommended NYNJ Link, a partnership of Macquarie Infrastructure and Real Assets, Inc. and Kiewit Development as the successful Proposer, based on having (1) passed all steps of the pass/fail evaluation process, and (2) achieving the lowest adjusted evaluation price.

In support of the planning effort, HNTB was retained in August 2004 to provide professional and technical advisory services, on an as-needed basis, at a total amount of \$16.8 million. From November 2011 through January 2013, the Executive Director authorized increases to the agreement with HNTB, in the total estimated amount of \$9.5 million, for HNTB to continue to provide necessary services to support the Phase I project through its completion, resulting in a revised total authorization amount of \$26.3 million.

With the advancement of the proposed Project for the replacement of the Goethals Bridge, it was recommended that the professional and technical advisory services agreement with HNTB be extended for up to six years, on an as-needed basis, to support the design-build phase, to provide for services including technical reviews, compliance and quality auditing, construction oversight support, materials verification and testing support, third-party coordination with utilities, outside agencies and governmental entities, records and process management, change management, and Federal Highway Administration coordination, at an increase of up to \$40 million, resulting in a total authorized amount of \$66.3 million.

Additionally, in support of the planning effort, URS was retained in April 2004 to provide professional program management support services, on an as-needed basis, at a total amount of \$5 million. The authorization included the option to extend the agreement to support the Phase I project through its completion. In January 2012, the Executive Director authorized an increase of \$1 million to the agreement with URS, for continued program management support for the Phase I project, resulting in a revised total authorization amount of \$6 million.

With the advancement of the Project, it was recommended that the professional program management support services agreement with URS be extended for up to six years, on an as-needed basis, to support the design-build phase, at an increase of up to \$16 million, resulting in a total authorized amount of \$22 million.

In addition, as part of the Project, construction wetland impacts must be mitigated in both New York and New Jersey. In New Jersey, the New Jersey Department of Environmental Protection Tidal Open Water Mitigation Permit conditions allow for the purchase of wetland mitigation credits from a Mitigation Bank, specifying that, should credits be the option selected, they be procured from the Port Reading Bank (operated by Prologis Development Services Incorporated). Based on the replacement bridge concept in the National Environmental Policy Act-Environmental Impact Statement document for the Project, 1.017 mitigation credits are needed in New Jersey, resulting in a purchase cost of \$705,000 from Prologis Development Services Incorporated. The proposed authorization also would effectuate the acquisition of wetlands mitigation efforts on the New York side in connection with the Project.

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

RESOLVED, that a project (Project) for the Goethals Bridge Modernization Program, to advance the implementation and delivery of the replacement of the Goethals Bridge as a public-private partnership project, at an estimated total project cost of \$1.521 billion, which is comprised of \$934 million for the design and replacement of the Project, \$224 million for financing during construction and other construction-related costs and \$363 million in Project costs to be funded by the Port Authority (inclusive of \$179 million previously authorized by the Board for Phase I project 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: (1) enter into an agreement with NYNJ Link, a partnership of Macquarie Infrastructure and Real Assets, Inc. and Kiewit Development (the Developer) for the design, construction, financing and maintenance of the Project, with the total aggregate compensation to be provided to the Developer for its costs to implement and maintain the Project to be inclusive of: (i) post-construction interest expense on the amount of financing to be provided to the Port Authority by the Developer, with such interest rate to be established at financial close, to be calculated off a base average interest rate of 5.18 percent per annum, to be adjusted based on certain factors, substantially in accordance with the terms outlined to the Board; and (ii) certain maintenance payments to be made over the term of the agreement which would be subject to annual escalation based on the Consumer Price Index; (2) make milestone-based payments to the Developer, in an amount of up to \$150 million, during the latter stages of construction through completion of design and construction of the replacement bridge and demolition of the existing bridge; (3) extend the existing agreement with HNTB Corporation, for a term of up to six years, to provide continued professional and technical advisory services, on an as-needed basis, to support the Project, at an amount of up to \$40 million; (4) extend the existing agreement with URS Corporation, for a term of up to six years, to provide continued professional program management support services, on an as-needed basis, to support the Project, at an amount of up to \$16 million; (5) enter into agreement(s), as necessary, to effectuate wetlands mitigation efforts in connection with the Project, including an agreement with Prologis Development Services Incorporated for the purchase of 1.017 wetlands mitigation credits in New Jersey, at an estimated amount of \$705,000; (6) take action with regard to the award of such contracts for construction, and professional, technical, financial, construction-related, integrity monitoring, and advisory services as may be necessary to implement the Project; and (g) execute such documents, agreements and contracts with public and private entities as are necessary to effectuate the Project; and it is further

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

OUTERBRIDGE CROSSING – PAVEMENT REPLACEMENT OF THE EASTBOUND AND WESTBOUND SPANS, TOLL PLAZA AND APPROACH ROADWAYS – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project to replace the pavement on the eastbound and westbound spans, toll plaza and approach roadways of the Outerbridge Crossing (OBX), at an estimated total project cost of \$23.5 million; and (2) the Executive Director to award Contract AKO-284.053 to Crisdel Group, Inc., for the construction of the project, at an estimated amount of \$15,360,630, inclusive of allowances for extra work and net cost work.

The OBX, constructed in the late 1920s, connects New Jersey Route 440 in Perth Amboy, New Jersey with New York State Route 440 in the Borough of Staten Island. The spans last were repaved in the early 2000s with asphalt pavement, and the toll plaza concrete slabs, installed in 1977, have not received major rehabilitation since their installation. Recent inspections have revealed that both the asphalt pavement and the concrete slabs have reached the end of their useful life and require replacement in order to maintain a state of good repair.

The proposed project would provide for full pavement replacement of the eastbound and westbound spans and approach asphalt roadway surfaces, as well as the replacement of the concrete pavement in the toll plaza area. In addition, the work would include structural rehabilitation of the parapets, median, safety walkway, curbs, roadway deck and underlying concrete.

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

RESOLVED, that a project to replace the pavement on the eastbound and westbound spans, toll plaza and approach roadways of the Outerbridge Crossing, at an estimated total project cost of \$23.5 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract AKO-284.053 to Crisdel Group, Inc., for the construction of the foregoing project, at an estimated amount of \$15,360,630, inclusive of allowances for extra work and net cost 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 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.

WORLD TRADE CENTER (WTC) SITE – RETENTION OF JONES LANG LASALLE AMERICAS, INC. FOR THE PERFORMANCE OF REAL ESTATE DEVELOPMENT AND OPERATIONS SUPPORT SERVICES FOR THE WTC SITE REDEVELOPMENT ON AN AS-NEEDED BASIS

It was recommended that the Board authorize the Executive Director to enter into an agreement with Jones Lang LaSalle Americas, Inc. (JLL) to provide professional real estate development and operations support services for the World Trade Center (WTC) site redevelopment, on an as-needed basis in coordination with Port Authority staff, at an estimated amount of \$12.5 million through December 2015.

In recognition of the need for continued real estate advisory and development services, on March 6, 2013 a Request for Proposals (RFP) was publicly advertised for professional real estate development and operations support services for the WTC site redevelopment. A single proposal was received and evaluated by a selection committee, based on the qualifications of the staff to be assigned to the project, the experience of the firm and the management approach for the performance of the required services. The cost of the proposer's services was evaluated on a "best-buy" basis. As a result of the evaluation process, it was determined that JLL met the evaluation criteria and provided a competitive price. These real estate advisory services concerning the WTC site were provided previously by JLL, which had been retained following a similar RFP process, as authorized by the Board at its meeting of November 6, 2008, and via several prior authorizations by the Board and the Executive Director dating back to 2003.

The proposed contract would enable the Port Authority to obtain the specialized real estate development services and expertise needed to continue to advance key programs at the WTC site.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Rechler, Samson, 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 an agreement with Jones Lang LaSalle Americas, Inc. to provide professional real estate development and operations support services for the World Trade Center site redevelopment, on an as-needed basis in coordination with Port Authority staff, at an estimated amount of \$12.5 million through December 2015; 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.

MODIFICATIONS TO AGE LIMIT FOR APPOINTMENT TO PORT AUTHORITY POLICE FORCE

The current age limit for appointment to the Port Authority police force established by the Board, with limited exceptions for members of the police force holding certain positions within the Office of the Inspector General, provides that no individual who has attained 35 years of age may be appointed to the police force.

To increase the pool of qualified candidates in future recruitment processes for Port Authority police officers, it was recommended that periods during which a candidate served on active duty in the United States military (as defined by the particular branch in which the candidate served), not to exceed a total of six years, be deducted from the candidate's age in determining eligibility for entrance into the Port Authority Police Academy, with such modification to sunset after a three-year period. It was also recommended, confirming a long-standing practice, that the current age limitation for appointment to the Port Authority police force not be applicable to positions at the rank of Captain and above.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Rechler, Samson, 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, in connection with future Port Authority police officer recruitment processes, periods during which a candidate served on active duty in the United States military (as defined by the particular branch in which the candidate served), not to exceed a total of six years, shall be deducted from the candidate's age in determining the candidate's eligibility for entrance into the Port Authority Police Academy, with such modification to sunset after a three-year period; and it is further

RESOLVED, that the current age limitation for appointment to the Port Authority police force shall not be applicable to positions at the rank of Captain and above; and it is further

RESOLVED, that prior resolutions of the Board of Commissioners relating to the composition of the Port Authority's police force be and they hereby are amended, after the effective date of this resolution, to conform hereto; 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 all actions he deems necessary or appropriate to effectuate the purposes and intent of this resolution.

CONFIDENTIAL ITEM

The Board took action in executive session on a security matter that shall remain confidential until such time as its publication is determined not to endanger the public interest.

MEMORIAL TRIBUTE TO THE HONORABLE H. SIDNEY HOLMES III

It is with profound sadness that we mark the recent passing of our colleague, H. Sidney Holmes III, on April 15, 2013.

WHEREAS, from his appointment by New York Governor David Paterson in 2008 through his current service on the Board of Commissioners of The Port Authority of New York and New Jersey, the Honorable H. Sidney Holmes III gave tirelessly of his time, talent and experience in furtherance of the agency's mission; and

WHEREAS, during his tenure on the Board, H. Sidney Holmes III brought to bear the full breadth of his vast experience and expertise in public finance and economic development in furtherance of the mission and goals of the Port Authority; and

WHEREAS, H. Sidney Holmes III served with great pride as a member of the Board of Commissioners during one of the most ambitious periods in the agency's history, with major capital construction projects undertaken at the airports, seaports, PATH and the World Trade Center site; and

WHEREAS, during his years on the Board, H. Sidney Holmes III served with great distinction as a member of the Committees on Finance, Operations, Audit, Security, Governance and Ethics, and the World Trade Center Redevelopment Subcommittee, and as Chairman of the former Committee on Capital Programs/Agency Planning; and

WHEREAS, as Chairman of the Committee on Capital Programs/Agency Planning, H. Sidney Holmes III was dedicated to the agency's capital planning process, whereby he contributed to stimulating and guiding an ambitious long-term transportation investment plan to maximize the region's economic opportunities, productivity, and quality of life, and provide for further security enhancements, modernization of the PATH system, and continued redevelopment of the World Trade Center site; and

WHEREAS, H. Sidney Holmes III was an advocate for the agency's minority, women, and small business enterprise (M/W/SBE) programs that provide for an increase in recruitment of certified firms, the funding of training and development programs and creative loan and technical assistance programs, thereby ensuring that the Port Authority maintains its position as a leader in providing business and job opportunity to M/W/SBE firms; and

WHEREAS, H. Sidney Holmes III was committed to the agency's mission of building and maintaining transportation infrastructure for the region, and was instrumental in the advancement of numerous security initiatives, to ensure the safety and security of the agency's facilities, so that the public and commerce may have the benefit of dependable, trustworthy passage throughout the region; and

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey express their deepest sorrow at the passing of the Honorable H. Sidney Holmes III; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to the family of the Honorable H. Sidney Holmes III as a token of the high esteem in which he was held by his

colleagues on the Board and by the staff of The Port Authority of New York and New Jersey.

TRIBUTE TO JOHN J. DROBNY

The Board of Commissioners upon the retirement of John J. Drobny unanimously adopted the following resolution.

WHEREAS, from the time he joined the Port Authority in 1969 as a Professional Trainee, until the time of his retirement as Director, Security Transition Office/Acting Director of Security for the World Trade Center, John J. Drobny has served with great distinction for nearly 45 years in a variety of critical roles including, Assistant General Superintendent of PATH, Assistant Director of the Interstate Transportation Department, Director of the former Project Management Department, Acting Director of Technology Services, and Assistant Manager of the Operations Standards Division; and

WHEREAS, John J. Drobny has been a strong leader, bringing thoughtful and innovative solutions to complex business issues and has led the agency in the realization of several major initiatives in support of the Port Authority's mission and business objectives, including the management of the agency's Capital Security Program, and various security initiatives for the redevelopment of the World Trade Center site and the re-organization and centralization of the agency's various Project Management functions; and

WHEREAS, John J. Drobny was responsible for: oversight of the development and execution of the innovative Intelligent Transportation System at the agency's tunnels, bridges and terminal facilities, which propelled the agency forward in the use of innovative electronic transportation management systems; and management of a multi-million dollar Bridge Painting Program which rehabilitated the iconic George Washington Bridge; and

WHEREAS, John J. Drobny conceived and brought to fruition important initiatives in support of the Port Authority Trans-Hudson (PATH) System, including the Harrison Car Maintenance Facility the PATH PA-4 Car Program and the Trans-Hudson Network Capacity Increase Program, which was the precursor to the 8-10 car Train Program; and;

WHEREAS, John J. Drobny has been instrumental in shaping the Port Authority's strategic and capital plan process by highlighting critical challenges, questioning traditional approaches and offering novel solutions; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement, John J. Drobny was awarded the Individual Exceptional Service Award for his extraordinary level of service following the aftermath of September 11, 2001; the Robert F. Wagner Distinguished Public Service Award in 2004 for his exemplary service to the agency; and the James G. Hellmuth Unit Citation Award in 2004 for the Tunnels, Bridges and Terminals Hazard Mitigation FEMA Grant Project which secured more than \$100 million of federal funding the agency; and

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to John J. Drobny their sincere appreciation for his service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to John J. Drobny as a token of the high esteem in which he is held by the Board and staff alike.

Whereupon, the meeting was adjourned.

Secretary