Torres Rojas, Genara FOI#14307

From: kkullas@assetsearch.com
Sent: Thursday, September 26, 2013 6:14 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree; Qureshi, Ann
Subject: Freedom of Information Online Request Form

Information:

First Name: Karyn
Last Name: Kullas
Company: Investigative Network Inc.
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City: Prescott
State: AZ
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Required copies of the records: Yes

List of specific record(s):
Requesting copies of the monthly annual minutes of the Port Authority of NYNJ for 1984.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

October 23, 2013

Ms. Karyn Kullas
Investigative Network Inc.
424 E. Gurley St.
Prescott, AZ 86301

Re: Freedom of Information Reference No. 14307

Dear Ms. Kullas:

This is a response to your September 26, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code"), for copies of the Port Authority monthly minutes for 1984.

Material responsive to your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/14307-O.pdf.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Ann L. Qureshi

Ann L. Qureshi
FOI Administrator

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, January 12, 1984

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, January 12, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY

Alan Sagner, Chairman
Jerry Fitzgerald English
Robert V. Van Fossan
Philip D. Kaltenbacher
William K. Hutchison
Henry F. Henderson, Jr.

NEW YORK

Robert F. Wagner, Vice-Chairman
William J. Ronan
James G. Hellmuth
John G. McGoldrick
Howard Schulman

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel and Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Patrice Allen-Gifford, Administrative Assistant
Robert F. Bennett, Assistant Executive Director
Sidney Frigand, Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director and Director of Administration
Anthony Giordano, Project Manager, Bathgate Industrial Park, Economic Development
Arthur E. Goodman, Assistant Manager, Financial Planning & Analysis, Comptroller's
Francis A. Gorman, Director of Rail Transportation
Philip LaRocco, Acting Director of Economic Development
Donald R. Lee, Director of Audit
Katharine B. MacKay, Executive Assistant to Executive Director
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Comptroller
Thomas R. O'Kane, Acting Assistant Director of Personnel
Edward J. O'Malley, Director of Personnel
Leonard J. Riley, Director of Office of Management Information Services
Martin E. Robins, Director of Planning and Development
Bernard J. Schuman, M.D., Medical Director
Victor T. Strom, Director of Management Services
Anthony J. Tozzoli, Port Director
Guy F. Tozzoli, Director of World Trade
John J. Trapp, Manager, Financial Planning & Analysis, Comptroller's
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Assistant Director of Finance
Marshal L. Wilcox, Jr., Treasurer
Frederick E. Winter, Jr., Deputy Chief Engineer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs

The meeting was called to order by the Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of December 8, 1983. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on January 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on January 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its Special meeting on December 22, 1983 and at its meeting on January 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on January 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

1984 Budget

It was reported that copies of the Budget for the year 1984 have been in the hands of all the Commissioners for their reivew. The 1984 Budget for The Port Authority of New York and New Jersey, including the anticipated expenditures of the Port Authority Trans-Hudson Corporation, as shown on the following table, consists of $340 million of gross capital expenditures, $708 million of operating expenses (including $33 million of interdepartmental rents), $292 million of debt service charged to operations and reserves (including $100 million applicable to commercial paper), $35 million of expenditures on behalf of the Fund for Regional Development, and $17 million of other expenditures (exclusive of certain amounts which are reimbursable under the New York State Commuter Railroad Car Program).

1984 BUDGET BY PROGRAM
(Thousands of Dollars)

	1984 BUDGET
OPERATING PROGRAM	
Operating Expenses	
Trans Hudson Network	$ 247,039
Aviation Facilities	304,795
World Trade Department	120,210
Port Facilities	35,518
Economic Development Department	669
Sub-Total	**708,231**
Debt Service	292,323
Deferred Charges	16,810
Expenditures on Behalf of the Fund for Regional Development	35,309
Total Operating Program	**1,052,673**
CAPITAL PROGRAM	
Trans Hudson Network	100,799
Aviation Facilities	89,012
World Trade Department	53,604
Port Facilities	28,144
Economic Development Department	12,943
Emergency Repairs and Construction	5,000
Bank for Regional Development	50,000
Total Capital Program	**339,502**
Total	**$1,392,175***

*Does not include $10.1 million debt service on Special Project Bonds, which is included in Exhibit A-1.

CAPITAL PROGRAM

The $340 million in gross capital expenditures includes $179 million for maintenance and repair projects, $148 million in economic development projects, $58 million in regional reconstruction projects, and $55 million in transportation projects, before anticipated delays of $100 million.

Maintenance & Repairs

Aviation Department capital projects of $56 million in the category of maintenance and repair include $14 million for overlay and grooving of Runway 13L-31R, $4 million in improvements to the International Arrivals Building and $3 million towards ramp repaving, all at Kennedy International Airport. At LaGuardia Airport, $4 million has been included to modify cantilever slabs at runway deck expansion joints.

The Tunnels, Bridges and Terminals Department's total of $55 million in this category includes $11 million for the replacement of ceilings in both tubes of the Holland Tunnel, $3 million to rehabilitate the center tube roadway of the Lincoln Tunnel, and $4 million for rehabilitation of the Riverside Drive Arch and the Henry Hudson Ramp and $2 million to replace the sidewalk on the upper level, all at the George Washington Bridge. Plans at the Goethals Bridge include $3 million for replacing the handrail.

Of a total of $55 million to be undertaken by the Rail Transportation Department in this category during the year, $12 million is for the PATH Safety Program, including tunnel ventilation and standpipe systems, $10 million for rehabilitation of PA class cars, $8 million for station improvements, $5 million for construction of a running repair facility and $2 million to replace transformers containing PCB's.

A contingency of $5 million has been included for emergency repairs and construction at all Port Authority facilities.

Economic Development

Planned expenditures of $148 million for economic development projects include $73 million by the World Trade Department, of which $25 million is earmarked for the Teleport. The department's capital program also includes $10 million for sprinklers, $6 million for relocation of TV broadcasting facilities, $4 million related to the proposed Newark Renaissance Center and $2 million for a condenser water system in Tower B.

The Aviation Department's capital plans in this category include $6 million for paving and utilities in the Southwest Development area at Newark International Airport, $4 million for construction of a cargo building on the north side of the airport, $3 million to relocate the Federal Inspection Service area to Terminal C and $3 million for Butler Aviation's Aircraft Service Center. At LaGuardia Airport, $7 million has been included to finance finishes and gate reassignments at the Central Terminal Building. A provision of $4 million for the construction of a multi-tenant cargo service building has been included in the capital program at Kennedy International Airport.

Planned capital expenditures for the Economic Development Department provide $6 million for the Bathgate Industrial Park, $5 million for a resource recovery project in Essex County, New Jersey and $2 million for waterfront development.

The Port Department's economic development plans include $6 million for a start on development of a commercial fisheries project. The department has also included $4 million for expansion of the Red Hook Container Terminal and $3 million for paving the CNJ area and $3 million for the Sea-Land Office at the Elizabeth-Port Authority Marine Terminal.

Regional Reconstruction

Planned expenditures of $58 million for regional reconstruction include $50 million for the proposed Bank for Regional Development and $8 million for continued construction of the rail freight link to the Oak Point yard in the Bronx.

Transportation

Projects aimed at improving transportation amount to $55 million and include Aviation Department expenditures of $28 million of which $6 million is to connect the Nassau Expressway and Southern Parkway at Kennedy International Airport, $4 million for East End roadway development at LaGuardia Airport and $3 million to develop public parking lot 'E' at Newark International Airport. Additional capital expenditures in this category include $15 million for the Bus Programs and $12 million for extension and modernization at the Port Authority Bus Terminal.

As requested by the Governors, $400,000 has been included in the 1984 Budget to reimburse the States of New York and New Jersey for expenses incurred by each State, including staff costs, in reviewing the 1984 annual Budget and any amendments thereto.

In order to provide sufficient funds to substantially complete the Port Authority's capital program for 1984, together with capital funds carried into 1984 and the proceeds of Consolidated Bonds and Commercial Paper Notes to be issued in 1984, it is desirable at this time to authorize the appropriation for the purpose of capital expenditures to be made in 1984 of funds paid into and available in the Consolidated Bond Reserve Fund in a total amount, consistent with the Port Authority's financial commitments and policies, not to exceed $100 million.

In order to continue the Port Authority's practice of annually setting aside amounts towards covering self-insured contingent losses, it is necessary in light of currently established accounting standards to authorize an appropriation from the Consolidated Bond Reserve Fund of a total amount, consistent with the Port Authority's financial commitments and policies, not to exceed $5 million to a Provision for Self-Insurance for the year 1984.

It is the Port Authority's long-established policy to retire debt as rapidly as sound financial management permits, while maintaining at year end, in its reserve funds including reserve funds in trust a combined amount equal to at least the amount of the next two years' mandatory bonded debt service. It was recommended that the Executive Director be authorized during the year 1984, to pay from the Consolidated Bond Reserve Fund, by transferring to sinking funds due in future years, an amount not to exceed $20 million par value of Consolidated Bonds of individual series purchased for investment and on hand during 1984. The individual series of such bonds will be determined at the time of the accelerated retirement. The status of the Port Authority's reserve funds at December 31, 1984 and the amount of Consolidated Bonds held by the Port Authority are expected to permit the debt retirement acceleration in accordance with the stated policy. The accelerated retirement of sinking fund bonds due in future years, by retirement of bonds already held by the Port Authority, results in a small improvement in the Port Authority's obligatory bonded debt service coverage ratios.

(Board - 1/12/84)

Circumstances have arisen during the year 1983 which were not foreseeable when the Board adopted the 1983 Budget at its meeting on December 9, 1982. Apart from the $96.5 million expenditure for the Delta Air Lines terminal building at LaGuardia Airport, which was financed by special project bonds as authorized by the Board on June 9, 1983, these changes, totaling about $20 million, as set forth in Exhibit B, together with all other expenditures for the Port Authority for the year 1983, will not exceed the amount as set forth in the original 1983 Budget. The Executive Director's authority, pending final adoption and approval of the annual Budget, to make operating expenditures and undertake contractual commitments for continuing operations and professional services as contained in the financial plan presented to the Commissioners would also be confirmed.

It was therefore recommended that the 1984 Budget and the changes of certain budget items for the year 1983 be approved.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

RESOLVED, that the following Budget for The Port Authority of New York and New Jersey be and the same hereby is approved and adopted for the year 1984:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Including subsidiary Port Authority Trans-Hudson Corporation
1984 BUDGET
(Thousands of Dollars)

Item	Total Expenditures	Personal Services	Materials & Services	Other
Executive Offices				
Office of the Executive Director	$ 2,203	$ 1,049	$ 1,154	
General Administration	459		459	
Office of Minority Business Development	714	544	170	
Office of the Secretary	2,619	1,102	1,517	
Audit Department	4,815	3,650	1,165	
Police Division	13,623	11,231	2,392	
Office of the Director of Administration	501	291	210	
Management Services Department	6,013	4,094	1,469	$ 450
General Services Department	20,108	17,313	2,795*	
Personnel Department	11,429	7,491	3,938	
Medical Department	2,705	1,633	1,072	
Office of Management Information Services	5,984	8,230	(4,724)*	2,478
Public Affairs Department	4,239	2,456	1,783	
Law Department	10,611	7,142	3,469	
Office of the Director of Finance	5,744	1,093	451	4,200
Comptroller's Department	28,988	12,009	6,847	10,132
Payments of City Rents and in Lieu of Taxes	67,273			67,273
Insurance Costs	12,590		12,590	
Construction Contracts (detailed on reverse)	55,000			55,000
Treasury Department	3,959	1,154	2,805	
Debt Service	305,663			305,663
Planning and Development Department	9,472	6,535	2,937	
Tunnels, Bridges and Terminals Department				
Administrative and Planning	10,010	5,843	3,667	500
Holland Tunnel	15,771	12,689	3,082	
Lincoln Tunnel	17,528	13,920	3,608	
George Washington Bridge	17,219	13,318	3,901	
Staten Island Bridges	9,102	7,287	1,815	
Port Authority Bus Terminal	24,797	15,641	9,156	
Port Department				
Administrative, Planning and Construction	11,435	4,988	6,447	
Construction Contracts (detailed on reverse)	18,900			18,900
Columbia Street Marine Terminal	86	55	31	
Port Newark	5,155	3,614	1,541	
Erie Basin - P.A. Marine Terminal	268	184	84	
Hoboken - P.A. Marine Terminal	147	55	92	
Elizabeth - P.A. Marine Terminal	2,062	1,516	546	
Brooklyn - P.A. Marine Terminal	2,332	1,519	813	
Red Hook Container Terminal	100	97	3	
New York City Passenger Ship Terminal	3,919	795	3,124	
Port Promotion, including Domestic Trade Development Offices	4,397	2,393	2,004	
Aviation Department				
Administrative and Planning	27,573	9,198	16,375	2,000
Construction Contracts (detailed on reverse)	64,151			64,151
LaGuardia Airport	31,247	15,697	15,550	
John F. Kennedy International Airport	90,166	39,519	50,647	
Newark International Airport	50,152	22,775	27,377	
Port Authority Heliports	2,870	842	1,041	987
Engineering Department	75,013	44,106	21,699	9,208
Construction Contracts (detailed on reverse)	54,290			54,290
World Trade Department				
Administrative, Planning and Construction	10,480	5,380	3,490	1,610
Construction Contracts (detailed on reverse)	38,105			38,105
The World Trade Center	123,538	12,057	76,172	35,309
The Teleport	3,350	937	2,413	
Trade Programs, including Foreign Trade Development Offices	4,440	1,666	2,774	
Rail Transportation Department				
Administrative, Planning and Construction	11,376	5,796	3,305	2,275
PATH	71,539	49,600	21,939	
Construction Contracts (detailed on reverse)	18,668			18,668
Economic Development Department	7,409	3,758	3,651	
Total Port Authority Budget	$1,402,307	$382,262	$328,846	$691,199
Agency Accounts (Reimbursable)				
Railroad Equipment Program	$ 11,381			

* Net after charges to other departments.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

including subsidiary Port Authority Trans-Hudson Corporation

1984 BUDGET

CONSTRUCTION CONTRACTS

(Thousands of Dollars)

PORT DEPARTMENT	
Oak Point Rail Freight Link	$ 7,600
Elizabeth-P.A. Marine Terminal	4,900
Red Hook Container Terminal	3,500
Port Newark	2,600
Brooklyn-P.A. Marine Terminal	300
Total	18,900
AVIATION DEPARTMENT	
John F. Kennedy International Airport	32,078
Newark International Airport	18,179
LaGuardia Airport	13,394
P.A. Downtown Heliport	500
Total	64,151
ENGINEERING DEPARTMENT	
PATH Rapid Transit	14,840
Holland Tunnel	6,603
Bathgate Industrial Park	5,210
Commercial Fisheries	5,000
George Washington Bridge & Bus Station	4,875
Lincoln Tunnel	3,900
Port Authority Bus Terminal	3,670
Bus Terminal Extension and Modernization	2,800
Essex County Resource Recovery	2,300
Goethals Bridge	1,975
Waterfront Redevelopment	1,215
Journal Square Transportation Center	1,200
Outerbridge Crossing	250
Other	452
Total	54,290
WORLD TRADE DEPARTMENT	
The Teleport	19,450
World Trade Center	15,645
Newark Renaissance	3,010
Total	38,105
RAIL TRANSPORTATION DEPARTMENT	
Bus Programs	15,000
PATH	3,398
Journal Square Transportation Center	270
Total	18,668
BANK FOR REGIONAL DEVELOPMENT*	50,000
EMERGENCY REPAIRS AND CONSTRUCTION*	5,000
TOTAL CONSTRUCTION CONTRACTS	$249,114

* Included with Comptroller's Department on EXHIBIT A-1.

(Board - 1/12/84)

RESOLVED, that the following Schedule of Revisions to the 1983 Budget for The Port Authority of New York and New Jersey be and the same hereby is approved and accepted:

SCHEDULE OF REVISIONS TO CERTAIN 1983 BUDGET ITEMS

(Thousands of Dollars)

Item	Total Expenditures	Personal Services	Materials & Services	Other
Aviation Department				
Construction Contracts	$9,293			$9,293
LaGuardia Airport	966	$ 343	$ 623	
Rail Transportation Department				
Administrative Planning and Construction	1,425	230	1,157	38
PATH	2,848	3,128	(281)	1
Tunnels, Bridges and Terminals Department				
Holland Tunnel	459	381	78	
Lincoln Tunnel	1,064	639	425	
George Washington Bridge	949	835	114	
Port Authority Bus Terminal	500	35	465	
Engineering Department				
Construction Contracts	1,078			1,078
Office of Management Information Services	888	992	(104)	
Comptroller's Department				
Insurance Costs	880		880	
Personnel Department	149	89	60	
Office of Minority Business Development	135	92	43	
Law Department	103	(7)	110	
Port Department				
Brooklyn P.A.-Marine Terminal	101	(124)	225	

(Board - 1/12/84)

RESOLVED, that, based upon a requisition of the Governor of the State of New York or the Governor of the State of New Jersey, or the duly authorized designee of each, the Port Authority shall pay to the State of New York or the State of New Jersey, or both, upon receipt of an appropriate expenditure plan from said State, an amount not in excess of $200,000 to each said State to reimburse said State or States for expenses incurred by said State or States, including staff costs, in reviewing the 1984 annual Budget of the Port Authority and any amendments thereto; and it is further

RESOLVED, that, in connection with the Port Authority's capital program, the financing by the Executive Director from funds paid into and available in the Consolidated Bond Reserve Fund, including investment earnings attributable to the General Reserve Fund and to the Special Reserve Fund in Trust not required for the maintenance of those Funds, of capital expenditures during the year 1984 in connection with the Port Authority's facilities in a total amount not to exceed $100 million be and the same hereby is authorized and approved; provided, however, that the amount so financed would not exceed an amount which, when combined with any other amounts financed in 1984 from such funds paid into and available in the Consolidated Bond Reserve Fund, would preclude the Port Authority from (a) maintaining the General Reserve Fund at an amount equal to 10% of the par value of outstanding Port Authority bonds secured by a pledge of that Fund, and (b) maintaining in all debt reserve funds an aggregate amount in excess of the next two years' debt service on outstanding Port Authority bonds secured by a pledge of the General Reserve Fund; and that the application from time to time of funds as set forth herein is hereby authorized and approved; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized in connection with the Port Authority's self-insurance program to continue to appropriate and to apply, during the year 1984, from funds paid into and available in the Consolidated Bond Reserve Fund, including investment earnings attributable to the General Reserve Fund and to the Special Reserve Fund in Trust not required for the maintenance of those Funds, to a Provision for Self-Insurance in connection with the Port Authority's facilities in a total amount consistent with the Port Authority's practice of self-insurance; provided, however, that the amount so appropriated and so applied shall not exceed $5 million for 1984; and provided, further, that the amount so appropriated and so applied shall not exceed an amount which, when combined with any other amounts financed in 1984 from such funds paid into and available in the Consolidated Bond Reserve Fund, will preclude the Port Authority from (a) maintaining the General Reserve Fund at an amount equal to 10% of the par value of outstanding Port Authority bonds secured by a pledge of that Fund, and (b) maintaining in all debt reserve funds an aggregate amount in excess of the next two years' debt service on outstanding Port Authority bonds secured by a pledge of the General Reserve Fund; and that the application from time to time of funds as set forth herein is hereby authorized and approved; and it is further

(Board - 1/12/84)

RESOLVED, that the payment by the Executive Director, in connection with the Port Authority's long-established policy to retire debt as rapidly as sound financial management permits, from the Consolidated Bond Reserve Fund, by transferring to sinking funds due in future years, an amount not to exceed $20 million in 1984 par value of Consolidated Bonds of individual series purchased for investment and on hand during 1984; provided, however, that the amount so financed would not, in each case, exceed an amount which when combined with any other amounts financed in 1984 from such funds paid into and available in the Consolidated Bond Reserve Fund, will preclude the Port Authority from (a) maintaining the General Reserve Fund at an amount equal to 10% of the par value of outstanding Port Authority bonds secured by a pledge of that Fund, and (b) maintaining in all debt reserve funds an aggregate amount in excess of the next two years' debt service on outstanding Port Authority bonds secured by a pledge of the General Reserve Fund; and that the application from time to time of funds as set forth herein is hereby authorized and approved; and it is further

RESOLVED, that the application of any bonds to sinking fund requirements for more than one year shall be in satisfaction of the requirements for each series in regular succession until exhausted and the respective sinking fund requirement for each year shall be satisfied in full before any bonds are applied to that for a later year; and it is further

RESOLVED, that the cancellation and destruction of all of said bonds so transferred be and the same hereby is approved.

(Board - 1/12/84)

Recommended Changes in Compensation - Certain Employees Not Represented for Collective Negotiations

It was reported that during the past five years, salaries for Port Authority managerial, professional, technical, clerical and office, and field service and maintenance supervisors not represented for collective negotiations have generally increased at the same pace as wages paid to Port Authority employees in negotiating units. During the same period, average salaries paid for employees of New York City, New Jersey and New York State have increased at approximately the same rate. Since 1979, however, Port Authority salary increases have lagged behind the increase in the New York-Northeastern New Jersey Consumer Price Index and private sector salaries by nearly 1% per year. For 1984, various local private sector surveys project salary increases between 6% and 6.5%. New York State's organized non-uniform employee pay rates will increase by 8%, New Jersey managerial rates will increase by 6% and New Jersey clerical rates by 7%. New York City rates for 1984 will be determined by negotiations. Pay rates for Port Authority employees represented for collective negotiations will increase by an average of 6-7% in 1984.

Adjustments are necessary, therefore, to keep pace with current salary trends in the metropolitan area, to maintain competitive salary relationships between our non-organized employees and those represented for the purpose of collective negotiations and to maintain the long-term purchasing power of our employees. Accordingly, it is recommended that the salary ranges of clerical and office employees be increased by 6.4%, effective January 1, 1984 and that the salary ranges of managerial, professional and technical employees be increased by 6.0% effective January 1, 1984. Salary increases for individual employees in Pay Plans B, C, D, and E would be administered on the basis of merit, effective on these dates with the exception of employees in Pay Plans B (Levels 6-13) and A. It is further recommended that salary ranges for field service supervisors in Pay Plan FS be increased by 6.0%, effective March 11, 1984 and, similarly, the salary ranges for field maintenance supervisors in Pay Plan FM would be increased by 6.0% effective September 23, 1984. The dates of these adjustments coincide with the dates on which increases for their organized subordinates become effective.

In 1979, an incentive compensation program was initiated for managerial, professional and technical employees on an experimental basis. The payments under the program were expanded in 1980 and the program was subsequently extended to field service and maintenance supervisors. It is recommended that this program, which permits the Port Authority to compensate a limited number of employees whose performance has been clearly outstanding, be continued in the same form for professional, managerial, technical and supevisory employees in Pay Plans B (Levels 1-5), E, D (Levels 6-10), FS and FM, for 1984, subject to the cost of limitations for the salary adjustments being recommended. The incentive compensation programs for clerical and office employees and employees in Pay Plan B (Levels 6-13) are being replaced by the salary adjustment and salary administration recommendations for 1984 for these classes.

(Board - 1/12/84)

Beginning in January 1984, it is recommended that a new "pay for performance" compensation program be authorized for approximately 800 managerial and professional employees in Pay Plan B (Levels 6-13). This program would permit department directors to use a "merit budget" to compensate clearly superior employees and enable such outstanding performers to be paid more competitively with their counterparts in the community at large. Salary ranges for these classes will be increased by 6.0%, effective January 1, 1984. In a manner similar to the equivalent salary increases for executive staff, individual employees in these classes will be eligible to receive merit increases effective on their "anniversary dates." In addition, the Executive Director would be authorized to exercise discretion as to the form, manner and timing of a one-time compensation adjustment for employees in Pay Plan B (Levels 6-13) to take account of the transition to the revised salary program. Further, within the overall amount provided for in the Budget, superior employees in Pay Plan B (Levels 6-13) may be granted salary increases of up to 5% beyond range maximum.

The recommended salary adjustments are applicable to approximately 3,700 Port Authority executive, managerial, professional and technical, office and clerical, and field service and field maintenance supervisory employees.

Recommendation was made that the Board authorize the Executive Director to implement, consistent with the Port Authority Labor Relations Instruction:

1. effective January 1, 1984, adjustments in salaries and salary ranges for clerical and office employees averaging 6.4%, with salary increases for individual employees administered on the basis of merit;

2. effective January 1, 1984, for managerial, professional and technical employees in Pay Plans B, E and D (Levels 6-10), effective March 11, 1984, for field service supervisors in Pay Plan FS, and effective September 23, 1984, for field maintenance supervisors in Pay Plan FM, adjustments in salary ranges averaging 6.0%, with salary increases for individual executive, professional, managerial and technical employees, and field service and field maintenance supervisors to be administered on the basis of merit on these dates, with the exception of employees in Pay Plans A and B (Levels 6-13), who will have an alternate salary administration program for 1984; and

3. effective in January 1984, an incentive compensation program for professional, and managerial and technical employees in Pay Plans B (Levels 1-5), E, D (Levels 6-10) and field service and maintenance supervisors in Pay Plans FS and FM.

Approved.

(Board - 1/12/84)

Bathgate Industrial Park - Expansion of the Park Boundaries and Development of a Business and Technology Center

It was reported that the Board, at its meeting on July 12, 1979, adopted a master plan which identified the following sites for potential industrial development:

- Charleston, Staten Island, New York
- Doremus Avenue, Newark, New Jersey
- Greenville Yards/Claremont Terminal, Jersey City, New Jersey
- Hunts Point/Oak Point Yards Area, Bronx, New York
- North Avenue, Elizabeth, New Jersey
- Spring Creek, Brooklyn, New York

At its meeting on March 12, 1981, the Board amended that master plan to include the following additional sites:

- Bathgate, Bronx, New York
- Kapkowski Road, Elizabeth, New Jersey

Subsequently, at its meeting on August 12, 1982, the Committee on Port Planning, pursuant to authorization by the Board amended the master plan further to include the following additional site:

- Staten Island Industrial Park - East Side, New York

The Bathgate project was certified by the Board as an additional facility of the Port Authority on October 28, 1981. On February 22, 1982, the Port Authority entered into an agreement with The City of New York and the New York City Public Development Corporation (PDC) concerning Port Authority development of at least three blocks of the eight-block site. The PDC has completed and leased a building on one of the site blocks. The first Port Authority building on the site has been completed and leased. Buildings on three other blocks are under construction by the Port Authority, and two of these have been leased.

The Port Authority and the City of Elizabeth, New Jersey, have entered into an greement concerning the development of the Kapkowski Road site. Subsoil and pollutant tests have been conducted on this site and recommendations are being developed for mitigation of contaminants found on the site. The feasibility of site development in light of the presence of contaminants is being studied.

The Teleport, to be effectuated on the Staten Island Industrial Park site, was certified by the Board as an additional facility of the Port Authority on June 9, 1983, subject to reaffirmation of such certification by the Committee on Finance in connection with the sale of Consolidated Notes Series GG for the purposes of capital expenditures which include The Teleport. Such reaffirmation was made on December 8, 1983.

(Board - 1/12/84)

There is no active consideration by the Port Authority of any of the other sites in the master plan at this time.

Considerable progress has been made in the development of the existing eight-block Bathgate Industrial Park and staff now deems it advisable to be in a position to develop portions of four adjacent blocks east of Third Avenue. The same portion of these four blocks, numbered 2929, 2929A, 2930 and 2930A, are included in the industrial portion of The City of New York's Bathgate First Amended Urban Renewal Plan. Although there is no specific requirement in the industrial development legislation that an environmental impact statement be prepared or adopted, both the negative declaration of The City of New York, which sets forth the determination made by the City in connection with the adoption of the aforementioned Urban Renewal Plan that industrial development at the site would have no significant effect on the quality of the human environment, and the finding of the United States Economic Development Administration, in accordance with the National Environmental Policy Act of no significant impact, are included in the proposed master plan amendment.

The industrial development legislation provides that the Port Authority may modify or change any part of its master plan in the same form and manner provided for the adoption of the original plan. Preparation of the original master plan included a process of consultation with public and private persons and organizations, including the governing body of each municipality in which industrial development projects were proposed to be located, community planning boards and private real estate developers. As described in the proposed amendment to the master plan, consultations concerning this addition to the Bathgate Industrial Park have been held with the appropriate governmental and private organizations.

The original master plan also contained, among other things, the location of potential projects and facilities proposed to be developed, including – to the maximum extent practicable – a general description thereof, the land use requirements necessary therefor, and estimates of project costs, of project employment potential, of a schedule for commencement of each project, of the revenues to be derived by municipalities from each project or facility, and of a description of any proposed additional arrangements with municipalities. An amendment to the master plan has been prepared and is attached hereto. It contains information similar to the foregoing with respect to the pertinent portions of Blocks 2929, 2929A, 2930 and 2930A which are considered suitable for potential development as part of the Bathgate Industrial Park.

The Board, at its meeting on March 12, 1981, authorized the Committee on Operations, in its discretion, to take action with respect to agreements for Port Authority participation in an industrial development project in the Bathgate area of the Bronx. Subsequently, the Committee on Operations, at its meeting on March 25, 1981, authorized the Executive Director to enter into agreements with The City of New York and the PDC covering participation by the Port Authority in an industrial development project at Bathgate. Further, the Committee on Operations, at its meeting on October 28, 1981, approved a report of the Executive Director which modified the principles of the agreement with The City of New York and the PDC that had been reported to the Committee at its March 25, 1981 meeting. On February 22, 1982, the Port Authority entered into

an agreement with the City and the PDC covering the Port Authority's participation in the development of up to seven blocks of the Bathgate Industrial Park. The major terms and conditions of this agreement provide for the subleasing by the Port Authority from the PDC of a minimum of three blocks and a maximum of seven blocks for construction of buildings for lease or sale to industrial and other users suitable under the Port Authority's industrial development legislation; payment by the Port Authority of a land rental to the PDC equal to 10% of the assessed value thereof; establishment by the Port Authority of a "development account" of $400,000; payment by the PDC to the Port Authority of the sum of $6 per building square foot, subject to adjustment, for improvements built pursuant to the agreement; the sharing by the Port Authority and the PDC of net revenues as additional rent; and, that such rent and additional rent amounts, if any, received by the PDC from the Port Authority constitute full payment in-lieu-of-taxes by the Port Authority to the City.

The Committee on Operations, at its meeting on October 28, 1981, authorized the Executive Director to enter into an agreement with the South Bronx Development Organization, Inc., and under such agreement to expend up to a total of $40,000 to cover partial costs in retaining City Venture Corporation to conduct a study to determine the feasibility of placing a Business and Technology Center (BTC) in the South Bronx. A BTC typically provides under one roof various combinations of support services needed by small businesses such as computer access, technical and managerial assistance, word processing, conference rooms and secretarial services. City Venture Corporation found that the South Bronx could support two BTC's and recommended that one be located in the Bathgate Industrial Park.

The United States Economic Development Administration has approved a $1 million Title IX grant to The City of New York for the development of a BTC at the Bathgate Industrial Park and the City has agreed to provide the local share funds of $350,000.

Substantial agreement has been reached with the PDC, acting on behalf of the City, under which the Port Authority would design, construct and manage a City-owned 20,000-square-foot BTC on a portion of Block 2930A at the Bathgate Industrial Park. The City would make the $1,350,000 EDA grant and City matching funds available to the Port Authority for this purpose and the Port Authority would provide approximately $1,050,000 to the project. The City would lease the BTC and a portion of Block 2930A to the Port Authority and the Port Authority would share net revenues with the City.

The proposed amendment to the original agreement with the City and the PDC would allow for Port Authority participation in the development of portions of Blocks 2929, 2929A, 2930 and 2930A, under the same terms and conditions as the original seven blocks, except such additional or changed terms and conditions which would be required to permit the development of a BTC on Block 2930A.

(Board - 1/12/84)

The legislation authorizing Port Authority participation in industrial development provides that at least 10 days prior to the authorization by the Port Authority of any agreement with respect to payments in-lieu-of-taxes in connection with industrial development projects, the Port Authority shall notify the chief executive officer of each city in the Port District within which an industrial development project has been included in the master plan of the proposed authorization of such agreement, shall seek their comments and shall include with such authorization any comments received from such city. Comments have been solicited from the Mayors of the Cities of New York, Elizabeth, Jersey City and Newark and no comments have been received.

The Board, at its meeting on March 12, 1981, authorized the Bathgate Industrial Park project at an estimated financial participation by the Port Authority of $15.7 million for the development of industrial buildings on most of the site, which includes payments to contractors, allowances for extra work, acquisition and related costs, and engineering, administrative and financial expenses. The addition to the Park of portions of Blocks 2929, 2929A, 2930 and 2930A could require an additional Port Authority financial participation estimated at $5,350,000.

Staff has determined that this project would greatly enhance the viability of the Bathgate Industrial Park and the surrounding area.

It was therefore recommended that the Board take the following actions:

1. amend the master plan setting forth potential industrial development sites to include portions of Blocks 2929, 2929A, 2930 and 2930A within the Bathgate Industrial Park;

2. authorize the Executive Director to amend the February 22, 1982 Bathgate Industrial Park agreement among The City of New York, the Port Authority and the New York City Public Development Corporation with respect to the addition of portions of Blocks 2929, 2929A, 2930 and 2930A thereunder; and

3. authorize Port Authority participation in a project for the development of those portions of Blocks 2929, 2929A, 2930 and 2930A subject to the foregoing and the ability of the Port Authority to make any appropriate certifications including those which may be necessary for the issuance of Port Authority Consolidated Bonds, at an estimated financial participation to the Port Authority of $5,350,000.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

RESOLVED, that the master plan setting forth potential industrial development sites, as amended, be and hereby is amended to include Blocks 2929, 2929A, 2930 and 2930A within the Bathgate Industrial Park; and it is further

(Board - 1/12/84)

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement amending the February 22, 1982 Bathgate Industrial Park agreement among The City of New York, the Port Authority and the New York City Public Development Corporation with respect to the addition of portions of Blocks 2929, 2929A, 2930 and 2930A thereunder, the form of agreement to be subject to the approval of General Counsel or his designated representative; and it is further

RESOLVED, that Port Authority participation in a project for the development of those portions of Blocks 2929, 2929A, 2930 and 2930A be and it hereby is authorized, subject to the foregoing and the ability of the Port Authority to make any appropriate certifications including those which may be necessary for the issuance of Port Authority Consolidated Bonds, at an estimated financial participation by the Port Authority of $5,350,000.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

POTENTIAL URBAN INDUSTRIAL PARK SITES

AMENDMENT NO. 3

An amendment to the Master Plan adopted in accordance with Chapter 651 of the Laws of New York (1978) and Chapter 110 of the Laws of New Jersey (1978)

January, 1984

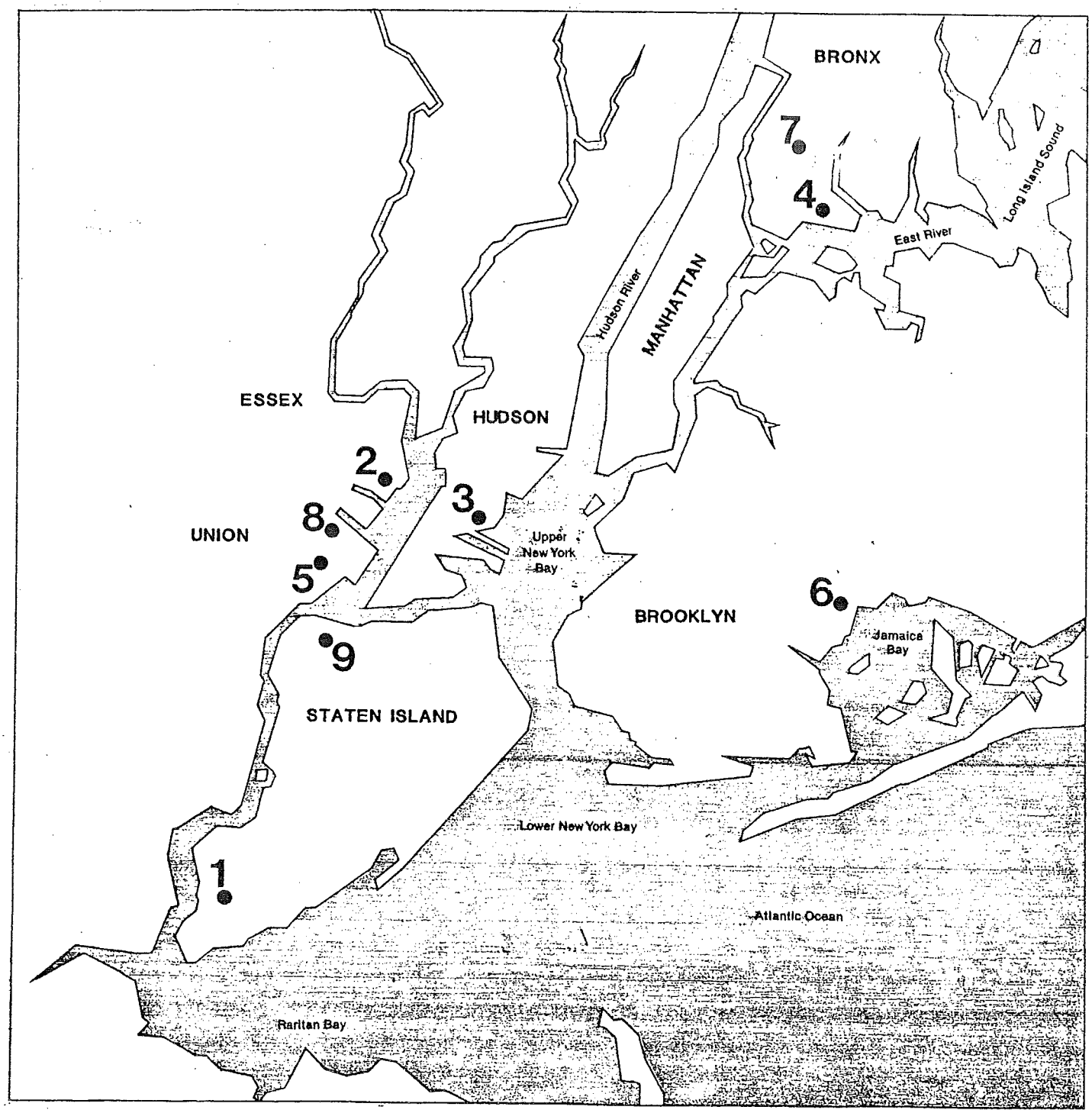
I. Introduction

The following pages are amendatory of and supplemental to the master plan adopted on July 12, 1979, and amended on March 12, 1981 and August 12, 1982. Except as otherwise amended herein, the provisions of that plan remain the same and apply to the Bathgate-East Side, Bronx, N.Y., site now being included in the Bathgate Industrial Park site in the master plan.

PORT AUTHORITY INDUSTRIAL PARKS -MASTER PLAN SITES

As Amended, January 1984

1–Charleston, Staten Island, NY
2–Doremus Avenue, Newark, NJ
3–Greenville Yards/Claremont Terminal, Jersey City, NJ
4–Hunts Point/Oak Point Yards, Bronx, NY
5–North Avenue, Elizabeth, NJ
6–Spring Creek, Brooklyn, NY
7–Bathgate, Bronx, NY
8–Kapkowski Road, Elizabeth, NJ
9–Staten Island Industrial Park East, Staten Island, NY



Bathgate-East Side, Bronx, New York

Location: The site is located directly adjacent to the Port Authority's existing Bathgate Industrial Park. The site includes portions of New York City Blocks 2929, 2929A, 2930 and 2930A and is bounded generally by the Cross Bronx Expressway on the north, Third Avenue on the west, on the east by the mid-block line of Fulton Avenue and Claremont Parkway on the south.

Land Use: The land is vacant.

Zoning and Ownership: The site is zoned M1-4 for light industry and all of the land is owned by the City of New York.

Transportation: Vehicular access to the site is good due to its proximity to the Cross Bronx Expressway. The roadways within the site are in good condition and do not require modification. New York City Transit Authority bus and subway services in combination provide good access to the site.

Utilities: Water supply - The site is adequately serviced by the City's water distribution system.

Sanitary Sewer - The site is adequately serviced by the City's sanitary sewer system.

Storm drainage - The site is adequately serviced by the City's system.

Gas - An adequate natural gas distribution system is available

to the site.

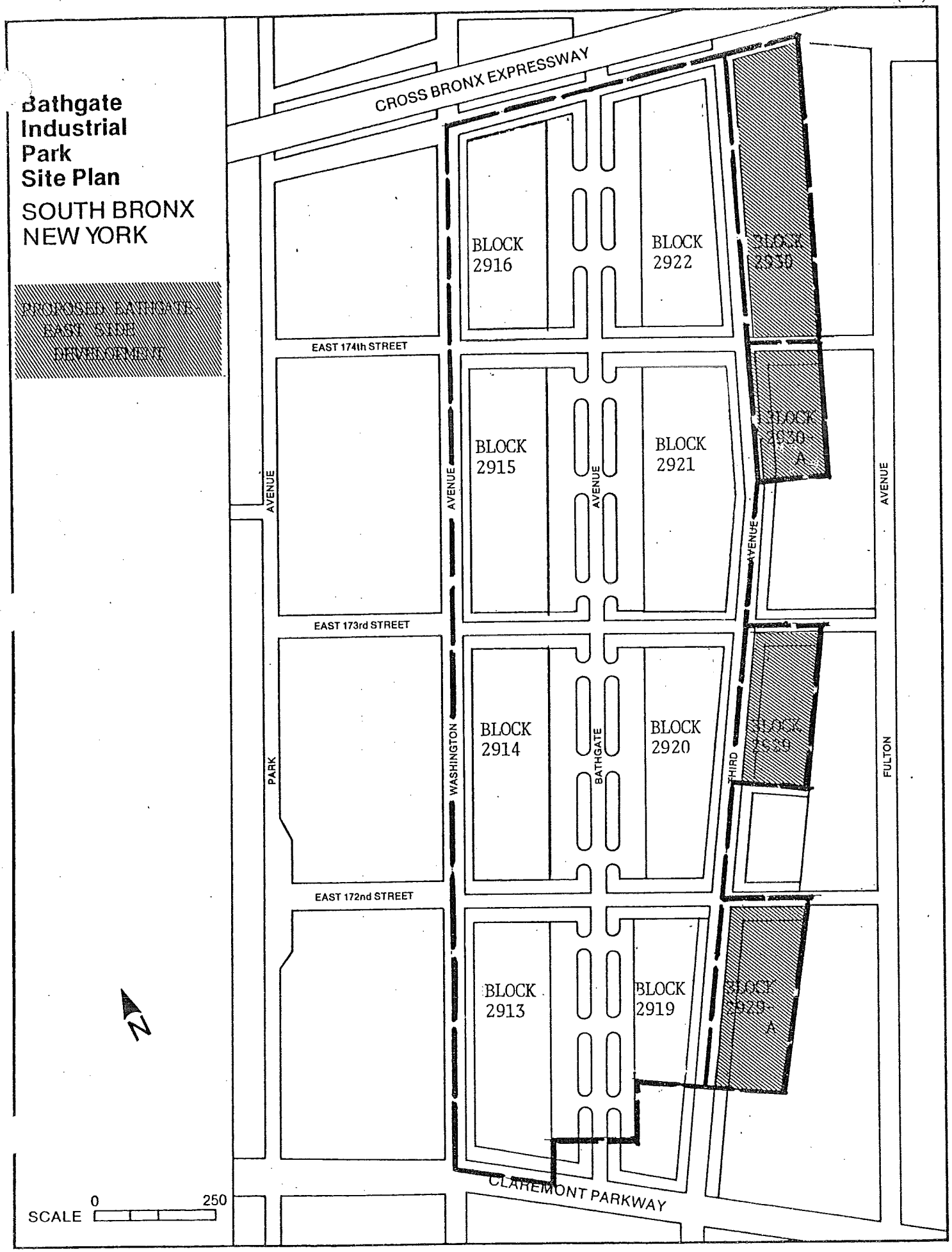
Soil Condition: This site was formerly occupied by one to six-story high commercial and residential structures. Hence, soil-bearing capacities appear to be adequate for light industrial buildings. Building sites may be improved by the use of dynamic compaction.

Environment: Pursuant to New York City Executive Order No. 91 (New York City's procedures for implementing Article 8, New York State Environmental Quality Review Act), New York City determined that industrial development at the Bathgate site, including the proposed Bathgate East portion, will not have a significant effect on the quality of the human environment. Therefore, pursuant to Executive Order No. 91 (CEOR 9-092), the New York City Public Development Corporation was not required to prepare an environmental impact statement.

The U.S. Economic Development Administration (EDA) has made a finding of no significant impact in accordance with the National Environmental Policy Act of 1969 (NEPA) with respect to such industrial development. Therefore, the EDA was not required to prepare an environmental impact statement pursuant to NEPA.

Labor: About 140,000 people comprise the labor force in the South Bronx area. The prevailing unemployment rate is approximately 10%.

Potential Direct Employment:	About 200-300 people at full development are expected to be employed in the Bathgate-East Side development.
Estimated Project Cost:	$5 million.
Estimated Schedule of Commencement:	1984.
Other Considerations:	The Bathgate industrial project is within New York City's overall South Bronx rehabilitation area under the auspices of the South Bronx Development Office. Responsibility for the site is presently with the New York City Public Development Corporation.


Bathgate Industrial Park Site Plan
SOUTH BRONX NEW YORK
PROPOSED BATHGATE EAST SIDE DEVELOPMENT
CROSS BRONX EXPRESSWAY
EAST 174th STREET
EAST 173rd STREET
EAST 172nd STREET
CLAREMONT PARKWAY
PARK AVENUE
WASHINGTON AVENUE
BATHGATE AVENUE
THIRD AVENUE
FULTON AVENUE
BLOCK 2916
BLOCK 2922
BLOCK 2950
BLOCK 2915
BLOCK 2921
BLOCK 2930 A
BLOCK 2914
BLOCK 2920
BLOCK 2929
BLOCK 2913
BLOCK 2919
BLOCK 2929 A
N
SCALE 0 250

GOVERNMENT AND COMMUNITY CONSULTATION AND PARTICIPATION

To assist the Port Authority in the preparation of the amendment to the master plan, discussions and consultations were held with individuals and groups including:

The Governors of New York and New Jersey
Members of the New York State Legislature
Mayors of New York, Elizabeth, and Newark
Bronx Borough President and Community Board
New York City Council
Community Groups
Private Real Estate Developers

No substantial objections were received and many groups and individuals gave strong support to the inclusion of Bathgate-East Side in the master plan.

Some of the issues which were raised during the process for Amendment No. 1 to the master plan, which included the original Bathgate site, included: jobs to be generated for local residents, training, relocation policy, acres to be developed, taxes, off-site improvements, and types of industries being pursued. These issues have been addressed since that time and in July, 1982 the Bathgate Industrial Park Advisory Council was formed and is actively addressing community concerns. None of the parties concerned expressed problems with the expansion of the Bathgate Industrial Park.

ENVIRONMENTAL ASSESSMENTS

ENVIRONMENTAL QUALITY REVIEW

FRANCES CAROLL, Director, CEQR
Department of Environmental Protection
Municipal Building, 1 Centre Street, Room 2344
New York, N.Y. 10007 (212) 566-4107

NALIN T. PATEL, P.E., Director, CEQR
Department of City Planning
2 Lafayette Street, Room 2221
New York, N.Y. 10007 (212) 566-8575

NEGATIVE DECLARATION

PROPOSAL # CEQR 9-092 DATE SENT January 4, 1980

Name, Description and Location of Proposal: Bathgate First Amended Urban Renewal Plan. A 21.5 acre industrial urban renewal area now 81% city-owned and 65% vacant. South Bronx area including Washington Avenue, Cross Bronx Expressway Third Avenue and Claremont Parkway.

STATEMENT OF NO SIGNIFICANT EFFECT

The Departments of City Planning and Environmental Protection as CEQR Lead Agencies have determined that the proposed action will have no significant effect on the quality of the human environment.

Supporting Statements

The above determination is based on an environmental assessment which finds that:

- The majority of the buildings in the Urban Renewal Area have been destroyed by fire, vandalism and blight. Remaining structures are similarly deteriorated and present health and safety hazards to remaining residents. The demolition of unsafe buildings and redevelopment of the area under the Urban Renewal Plan will eliminate blight and stabilize the adjoining area.
- The industrial development in this area is consistent with the land use pattern developed and will strengthen the existing industrial uses on its westernly side.
- The industrial development will create new job opportunities and employment for low and moderate income residents of the Borough of the Bronx.
- Landscaping with shrubs and trees around the industrial buildings and parking lots will provide scruning and buffering to the adjoining areas.
- The blocks between Park and Washington Avenues will include limitations on truck loading bays to help ensure the continued high capacity of these roads.
- If necessitated by future development, traffic management procedures will be implemented to minimize on site congestion and the potential for the diversion of facility related traffic to residential areas. (OVER for 7

Documents supporting this determination may be examined at the offices of the CEQR Directors from 9 a.m. to 5 p.m. - Monday through Friday.

Frances Caroll
FRANCES CAROLL, Director, CEQR

Nalin T. Patel
NALIN T. PATEL, P.E. Director, CEQR

BAT ATE CEQR- NEGATIVE DECL. TION

7. Relocation shall proceed in conformance to the regulations of the New York City Department of Housing Preservation and Development.

8. As future land use of the sites in the Urban Renewal project are finalized, the applicant shall submit to the CEQR lead agencies a determination as to its impacts on the air quality. Said determination shall include a traffic study to identify air quality impacts of mobile sources on the project development and estimate any contravention of air quality standards.

U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
Federal Reserve Bank Building
105 North 7th Street - Room 600
Philadelphia, Pennsylvania 19106

MEMORANDUM FOR THE PROJECT FILE

DATE: March 10, 1980

FROM: Harold J. Marshall II. HJMarshall
Regional Environmental Office

SUBJECT: Environmental Impact Determination and Necessary Environmental Findings For Titles I, II, X and Trade Adjustment Assistance Projects

Grantee: City of New York, Office of Economic Development
New York City, NY
Project No: "Bathgate Industrial Park, S. Bronx"

An environmental assessment has been completed by the Regional Office for the subject project. After reviewing the attached assessment and supporting materials attached to it, I find that the subject project will not significantly affect the quality of the human environment. Therefore, the preparation of an environmental impact statement is not necessary.

With respect to the Advisory Council on Historic Preservation's "Procedures for the Protection of Historic and Cultural Properties," the assessment indicates that:

____ the project will not affect any properties that are either listed on the National Register of Historic Places or eligible for the Register.

____ the project will affect a property that is either listed on the National Register of Historic Places or eligible for the Register. The Special Assistant for the Environment has been notified of this effect; the Special Assistant has coordinated the project with the Advisory Council on Historic Preservation required by its "Procedures;" and included in the attached assessment are the results of this coordination along with the Special Assistant's clearance for the further processing of the project.

The requirements of Directive 17.02-7 have been met for the project in that the Clean Air and Water Clause is included in the offer of financial assistance and:

____ the applicant is exempt from the pre-approval requirements for the reasons indicated in the assesment.

__X__ the applicant's facility(s) to be utilized in the project is not listed on the EPA List of Violating Facilities and a completed Form ED-524 is attached to the assessment. Will not impact 100 year floodplain or wetland.

JOHN E. CORRIGAN
Regional Director

U.S. DEPARTMENT OF COMM. CE
Economic Development Administration
Federal Reserve Bank Building
105 North 7th Street - Room 600
Philadelphia, Pennsylvania 19106

Regional Office Environmental Assessment

Applicant: City of New York, NY
Office of Economic Development

Location: South Bronx, NY

I. Project Description

The scope of work for the proposal calls fro the creation of 21.5 acre industrial park site. Project elements include site demolition, site preparation, and site development including road work, infrastructural improvements and the construction of a spec building as Phase I accomplishments. Phase II will utilize the remaining portion of the 21.5 acre site for indiviudal development by furture tenants.

II. Beneficiaries

No specific firms have been identified for the finished development. All firms will be of light industrial type and structures will be allowed for 1 story development only.

III. Description of Project Area

The project site is located in a vlighted area of South Brox, NY, roughly between the Cross-Bronx Expressway on the north, Claremont Parkway to the south, and mid block between Fulton and Third Avenues on theeast, with Washington Avenue on the west(see site map). The land, 21.5 acres, is 65% vacant previously residential property. Adjacent ares surrounding the site are zoned industrial and limited residential. Some relocation will be necessary. Approximately 153 families will be relocated and and 36 businesses will be relocated with City capital budget funds. Rezoning of the project area to light industrial will be necessitated prior to issuance of the EDA action, should it become approvable. The site is not within a 100 year floodplain or wetland with natural water bodies in this suburban location. (see EDR assessment and applicants exhibit II-A-8 for additional descirption of project area.

IV. Environmental Impact

Air Quality...A major source of air pollutants for this area of the South Brox is the Cross Brox Expressway. Vehicular emissions from this source are not extreme due to the dispersion patterns along this coastal area. The additional traffic generated by the industrial parks operation will not have a significnat impact on the present air quality of the area. As defined by the applicant, all firms locating in the park will be light industrial with little or no impact on air quality (emissions).

Water Quality...No water resources have been identified within the project impact area. The Harlem River is the nearest water body but will unaffected by this proposal. Potable water for the project will be supplied by the City of New York(see applicants descirption of source). There is indicated adequate capacity to serve the project. Sewerage from the site will be served by the Hunts Point Water Pollution Control Plant which has secondary treatment capability and adeqaute capacity to serve the project. Storm water will be collected in the existing system for the area which outfalls to the Harlem River. No significant impact on water quality has been identified.

Soild Waste...No siginificant amounts of solid waste has been identified in this proposal. Any such wastes generated will be disposed of at the Fresh Kills, Staten Isalnd, Land-fill site.

Land Use/ Description... Present zoning indicates that the historical use of this area has been residential. However, because of the increasing unemployment rate within the project area, vacancies in the units located on the 21.5 acre site have risen to over 65%. To turn this area of the South Bronx around and back into productivity, the City proposes to eliminate some residential area and provide industrial (light) uses. Such is the case with the Bathgate Industrial Park Redevelopment Plan. Since the proposal will directly benefit the adjacent areas through job creation (1000), these residential areas remaining will subsequently be upgraded by the reinvestment spin off of the new local workers. Therefore, while this proposal does represent a change in land use, it also represents a well planned and overall beneficial impact on the area as a whole.

Transportation.. Because of the available arterial access within 1 mile of the site(the expressway), and the limited light industrial use, no major impact on the existing trans portation system and capacities is anticipated. The project will not later the existing routing of traffic and on site parking will be provided(see applicants design and descirption for further analysis).

Natural Environment... Not applicable becuase of previous site utilization and the degradated condition of that site development. No natural features have been identified.

Human Population...The proposal call for the relocation of 153 families and 36 businesses. All relocation will be conducted under the Uniform Relocation and Assistance Act. No bjections have been noted from bonified residents. Adjacent residential areas will be impacted by construction related noise, traffic and demolition activities. However, buffers have been created for the finished park and adeaute construction mitigation techniques will reduce these impacts to an acceptable (minor) level.

Construction...as indicated above, minimal impact to the surround neighborhoods is anticipated.

V. Compliacne with the ACHP Procedures

The New York State Hisotric Preservation Office has indicated that the proposed project will have "no effect" upon any cultural resources or hisotirc properties. The REO concurs in this finding (see SHPO ltr dtd 3/7/80).

VI. Compliance with EDA Directive 17.02-7

The applicant is not on the EPA List of Violating Facilities and a completed ED-524 has been supplied with the application.

VII. Compliance with Wild and Scenic Rivers Act.

N/A. No rivers in project impact area.

VIII. Compliance with Endangered Species Act

N/A. Site is totally in a declined developed state with no habitat to support such species. Applicant has indicated that no such species have been observed in the project area.

IX. Outside Reaction to the Project.

The proposal has completed the required OMB Cir. A-95 with no negative comments having been received. The EDRI has indicated that no objection to the proposal on environmental or socio-econmic grounds has been registered.

X. Cumulative Impact

The REO has reviewed this proposal and the plan for the total Bathgate Redevelopment Area. All impacts identified with this devlopment are of a beneficial long term impact. No other project have been identified which would cause a cumulative impact on the project herrin defined.

XI. Energy Impact

N/A. The scope of the project will not impact on any specific limited energy source nor will it consume large quantities of an energy source.

XII. State Environmental Policy Act.

The rpocedures of the state with respect to the SEQRA requirements have been met by the City of New York in the analysis and issuance of a negative declaration on the Bathgate I.P. development on 1/4/80.(file copy).

XIII. Environmental Analysis of Participating Agency

No other federal agencies have been identified with respect to either the I.P. dvelopment or the urban renewal project which will occur adjacent to the site.

IX. Adverse Impact Analysis

No adverse impact has been identified with respect to the development of the Bathgate Industrial Park in the South Bronx, NY. The location of the park has been subject of an urben development renewal plan which will reduce the high unemployment rate of adjacent neighborhoods while creating a more asthetic and secure work are in the suburban environment. Alternatives would not target in specifically on the unemployed of the target neighborhood and would result in the continued deterioration of the neighborhood and sustaining of the unemployment rate. No environmental complications have been noted. Therefore, no special conditions have been defined. Locla codes administered by the City as applicant will be enforced. The change in land use from residential to light industrial will be beneficial in targeting jobs to the human population of the South Bronx.

Based on the examination and review of the foregoning information and such supplemental information as may be contained in the environmental file, I recommend that the Regional Director determine that this project will not have a significant impact on the quality of the human environment.

[signature] 3/10/80

NEW YORK STATE PARKS & RECREATION Agency Building 1, Empire State Plaza, Albany, New York 12238 Information 518 474-0456
Orin Lehman, Commissioner

March 7, 1980

Mr. Harold J. Marshall II
Regional Environmental Officer
Economic Development Administration
Federal Reserve Bank Building, Room 600
105 N. 7th Street
Philadelphia, PA 19106

Dear Mr. Marshall:

Bathgate Industrial Park
Bronx, Bronx County, New York

The State Historic Preservation Officer (SHPO) has reviewed the above project in accordance with the regulations of the Federal Advisory Council on Historic Preservation ("Protection of Historic and Cultural Properties," 36 CFR 800). We appreciate the well-documented project submission that was provided to us by the New York City Office of Development, and supplemental data provided by the South Bronx Development Office.

Based upon review of this information, it is the opinion of the SHPO that the proposed Bathgate Industrial Park will have no effect upon cultural resources included in or eligible for inclusion in the National Register of Historic Places.

If you should have any questions, please contact Lenore Rukwik, Project Review Coordinator, at 518-474-3170.

Sincerely,

STATE HISTORIC PRESERVATION OFFICER

By Stephen J. Raiche, Director
Historic Preservation Field
Services

LRK:mr

cc: Alan R. Bell
Edward J. Logue

Bathgate Industrial Park - Industrial Building on Block 2921 - Lease with Clay-Park Labs, Inc.

Staff has substantially completed negotiations with Clay-Park Labs, Inc. (Clay-Park) for the letting of the entire 83,000 square foot building and adjacent parking and truck dock areas on Block 2921 at the Bathgate Industrial Park. Construction of the shell building, which is expected to be completed by Spring 1984, was authorized by the Board, at its meeting on April 14, 1983, and is estimated to cost $3 million which includes payments to contractors, allowances for extra work, and engineering, administrative and financial expenses.

Clay-Park is a manufacturer of generic drug products. It began operations in the Fall of 1975 in its present quarters, 3339 Park Avenue, Bronx, New York. Clay-Park's production and sales have grown at an annual rate of 25% during the past five years. They now require a larger more modern facility to continue their growth. The company initially manufactured dermatologicals only, but has since expanded their product line to more than 250 official and private formula products. Clay-Park performs its own research and development and for most products performs all manufacturing operations including intaking chemicals and compounds, mixing, testing and packaging products for delivery. Clay-Park's customers include the leading drug store chains in America such as Revco Stores, Jack Eckerd Corp., K-Mart Drug, Rite-Aid, Walgreen, Thrifty Corp., Super X, Consumer Value Stores, Thrift Drug and many others.

Clay-Park would lease the facility on Block 2921 to accommodate their present operation and provide space for planned expansion. Additionally, because Clay-Park is in a Federally regulated (FDA) industry, the new facility will allow the company to efficiently maintain the high standard of quality required. The operation would employ approximately 175 workers at the outset with an anticipated increase of 10% per year for three years. Based on the capacity to expand and a growing market for generic drugs, Clay-Park expects sales to increase significantly within the next few years. In the fiscal year ending June 30, 1983 Clay-Park had gross sales of $8.9 million. For the current fiscal year, Clay-Park's gross sales are expected to reach $12 million.

The major provisions of the proposed lease agreement with Clay-Park are:

1. The Port Authority would lease Block 2921 and the industrial building being constructed on the block to Clay-Park for a term of approximately 25 years with Clay-Park having the right to extend the lease term for a 10-year period. The rental during the extended term will be the fair market value and if the parties cannot agree fair market value will be determined by arbitration.

2. Clay-Park would pay the following basic rentals:

   a) a rental equal to that which the Port Authority pays as a land rental to the New York City Public Development Corporation; plus

   b) a rental of $300,000 for the first year, $350,000 for years two through five, $450,000 for years six through 10, $550,000 for years 11 through 15, $600,000 for years 16 through 20, and $700,000 for years 21 through the remainder of the initial lease term. The Port Authority as part of the lease rental arrangement, would provide up to $1.2 million for tenant finishing work.

3. Clay-Park would pay an annual percentage rental of 1% of Adjusted Gross Sales on amounts between $12 million and $15 million, plus 1½% on amounts between $15 million and $18 million, plus 2% on amounts between $18 million and $24 million, plus 3% on amounts in excess of $24 million.

4. The Port Authority would advance up to $800,000 for the purchase, renovation, transportation and installation of certain equipment and finishing work in excess of the finishing work included in the lease rental arrangement. The aforesaid advance would be available to Clay-Park for five years and could be drawn down at any time and in any amount during the five-year period and would be repaid at two points above the Bond Buyers' Revenue Bond Index over 15 years on a self-liquidating basis with Clay-Park having the option of prepayment without penalty.

5. Clay-Park would be responsible for operating and maintaining the facility and all improvements within the property line and the Port Authority would be responsible for structural maintenance.

Clay-Park was introduced to the Port Authority by the brokerage firm of Herbert Kornspun Associates, Inc., who would be paid a brokerage commission not to exceed the Economic Development Department's industrial development program brokerage schedule for land and building leases which is as follows:

6% of the basic rental for the first five years

5% of the basic rental for the sixth through the 10th years

4% of the basic rental for the 11th through the 15th years

3% of the basic rental for the 16th through the 20th years

2% of the basic rental for the 21st through the 25th years

No commission beyond the 25th year

A security deposit may be required if the credit manager of the Port Authority so determines.

This item results in a $700,000 increase in the 1984 Budget.

It was therefore recommended that the Board authorize the Executive Director to enter into a lease agreement with Clay-Park Labs, Inc. for the letting of the building on Block 2921 at the Bathgate Industrial Park on the terms and conditions outlined above.

(Board - 1/12/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authroity be and he hereby is authorized to enter into an agreement with Clay-Park Labs, Inc. for the letting of the approximately 83,000 square foot building and adjacent parking and truck dock areas on Block 2921 at the Bathgate Industrial Park in the Bronx for an initial term of approximately 25 years with an annual basic rental rate of: (1) the land rental the Port Authority is to pay the Public Development Corporation for Block 2921, plus (2) $300,000 for the first year of the term, $350,000 for years two through five, $450,000 for years six through 10, $550,000 for years 11 through 15, $600,000 for years 16 through 20 and $700,000 for years 21 through the remainder of the term, and an annual percentage of 1% of adjusted gross sales between $12 million and $15 million, 1½% of adjusted gross sales between $15 million and $18 million plus 2% of adjusted gross sales between $18 million plus 2% of adjusted gross sales between $18 million and $24 million plus 3% of adjusted gross sales in excess of $24 million, the Port Authority to provide as part of the lease rental arrangement $1.2 million worth of finishing work in the premises and the Port Authority to advance the lessee up to $800,000 for additional finishing work and for the purchase, renovation, transportation and installation of equipment, such advance to be available to Clay-Park for five years to be drawn down at any time and in any amount during the five-year period at a rate two points above the Bond Buyers' Revenue Bond Index and to be repaid over 15 years on a self-liquidating basis with Clay-Park having the option of prepayment without penalty, the lessee to have the right to extend the term of the letting for a single additional term of 10 years at the fair market value, such fair market value to be determined by arbitration if the parties cannot agree; and it is further

RESOLVED, that the lessee be required to post a security deposit if the Port Authority credit manager so determines; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a brokerage agreement with Herbert Kornspun Associates, Inc. for payment of a brokerage commission not to exceed the following amounts: 6% of the basic rental for the first five years; plus 5% of the basic rental for the sixth through 10th years; plus 4% of the basic rental for the 11th through the 15th years; plus 3% of the basic rental for the 16th through 20th years; plus 2% of the basic rental for the 21st through the 25th year, no commission will be paid beyond the 25th year; and it is further

RESOLVED, that the form of the aforementioned agreements be subject to the approval of General Counsel or his designated representative.

(Board - 1/12/84)

Industrial Development Program - Resource Recovery Plant - Essex County - Agreement with Browning-Ferris Industries for Developmental Design Work

It was recalled that the Board, at its meeting on November 10, 1983, subject to appropriate authorizations and amendments to the Industrial Development Master Plan setting forth potential industrial development sites and subject to the ability of the Port Authority to make necessary certifications, including those necessary prior to the issuance of Port Authority Consolidated Bonds, authorized a project for the development of a resource recovery plant located in the Blanchard Street area of the City of Newark, County of Essex, and the negotiation of the agreements necessary to effectuate the project, including an agreement(s) with Browning-Ferris Industries (BFI), as the full service system vendor.

In connection with the development of the resource recovery project and the negotiation of the full service vendor contract with BFI, it would be desirable to obtain design plans and specifications which BFI has indicated that it would be willing to provide at a cost of approximately $1.8 million. BFI has indicated that the cost to the Port Authority for such design work would be BFI's actual cost. Obtaining an acceptable level of design would permit greater specificity and specifications to be included in the full service vendor contract with BFI, which is to be presented to the Board for its approval. Upon execution of the full service vendor contract with BFI, this agreement would be merged into and included within that contract.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with BFI under which BFI would perform certain developmental design work in connection with the planning for a resource recovery plant to be located in Essex County at a cost of approximately $1.8 million.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into an agreement with Browning-Ferris Industries (BFI) under which BFI would perform certain developmental design work in connection with the planning for a resource recovery plant to be located in Essex County at a cost of approximately $1.8 million; and it is further

RESOLVED, that the form of said agreement be subject to the approval of General Counsel or his authorized representative.

(Board - 1/12/84)

1984 Automotive Equipment Purchase Program

It was reported that the Port Authority's continuing program of replacing older units in its fleets of trucks, snow removal equipment, other special purpose vehicles and miscellaneous mobile maintenance equipment, as well as provision of new equipment will require the purchase of 266 units in 1984 at a cost not to exceed $3,843,600.

Replacement of existing equipment is determined by an economic and physical assessment of vehicle condition. The decision as to whether to exercise existing options or to solicit new bids is determined by an economic assessment at the time of vehicle replacement. Purchase order contracts for automotive equipment are awarded on the basis of competitive bids. Bidding for passenger-type vehicles is limited to equivalent models of selected vehicle manufacturers.

Automotive equipment purchase order contracts, exclusive of those for passenger vehicles, which are generally for a single purchase of a fixed number of vehicles, are for periods not exceeding three years, and the duration of these contracts is determined by operational and purchasing requirements.

It was therefore recommended that the Board authorize the Executive Director to: (a) award a series of contracts, each not to exceed a period of three years, to the lowest qualified bidders for the purchase of operating and maintenance automotive equipment for all Port Authority departments, bids for passenger vehicles, however, to be limited to equivalent models of selected vehicle manufacturers; and (b) in his discretion, to exercise options for the purchase of such equipment under existing contracts authorized by the Board in connection with Automotive Equipment Purchase Programs for years prior to 1984, all at a total expenditure not to exceed $3,843,600.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority:

(a) to receive bids on a series of contracts, each not to exceed a period of three years, for the purchase of operating and maintenance automotive equipment for all Port Authority departments and, in his discretion, in the case of each contract in said series either to enter into said contract with the lowest qualified bidder thereon or to reject all bids, the bids on passenger vehicles, however, to be limited to equivalent models of selected vehicle manufacturers; and

(b) to exercise options, in his discretion, for the purchase of such equipment under existing contracts authorized by the Board in connection with Automotive Equipment Purchase Programs for years prior to 1984; the total expenditures under (a) and (b) combined not to exceed $3,843,600.

(Board - 1/12/84)

Kennedy International Airport - Operation of the Public Parking Lots - Contract Award to Five Star Parking

It was reported that the Board, at its meeting on September 14, 1978, after public bidding, authorized the award of a three-year contract, with two one-year options in the Port Authority to extend, for the operation of the public parking lots at Kennedy International Airport, to Kinney System, Inc., (now known as Kinney Parking, Inc.) the lowest qualified bidder. The contract was extended for both years and was scheduled to expire on September 30, 1983.

Bids were solicited for a new three-year contract to be effective October 1, 1983 and three bids were received. At its meeting on August 11, 1983, the Board authorized the Committee on Operations either to accept the proposal submitted by the lowest qualified bidder or to reject all bids and to solicit new bids if the Committee considered such action appropriate. At its meeting on August 31, 1983, the Committee on Operations, for various reasons, including non-compliance with prerequisites, authorized the Executive Director to reject all bids, to solicit new bids on the contract, which would be effective February 1, 1984 and to extend the existing contract with Kinney Parking, Inc. for a four-month period commencing October 1, 1983 to January 31, 1984 at an approximate cost to the Port Authority of $1.1 million. On November 28, 1983 new bids were received from Kinney Parking, Inc., Five Star Parking, a joint venture composed of five separate corporate entities, and Meyer's Parking System, Inc., the same three operators who bid on the prior proposal, but the low bidder, Kinney Parking, Inc., failed to execute its bid papers and staff determined that under the circumstances all bids should be rejected again and new bids solicited from these three operators. The Board, at its meeting on December 8, 1983, was advised of this and authorized a further two-month extension of the existing contract with Kinney at an approximate cost to the Port Authority of $1,750,000 for the entire six-month extension. It is now anticipated that the new three-year contract will commence on or about March 1, 1984.

The bids were solicited on the basis of: (a) Port Authority estimated annual hours for cashiers, trafficmen, lot checkers and clerk/terminal operators; (b) Port Authority estimated number of supervisory positions and (c) a management fee. The solicitation required the bidder to quote prices for each year of the three-year contract. The Port Authority would have the right to adjust work schedules, to add and delete personnel as required and to order extra services during each year of the term at cost not to exceed 15% of the total payments made under the contract for that year on account of each labor category, the supervisory positions and the management fee. Additional payments to the contractor are provided to reimburse the contractor for the purchase of authorized material, supplies and equipment, and other specified reimbursable expenses, at an estimated cost of $200,000 annually. The term of the contract is subject to extension for two additional one-year periods at the Port Authority's option, and for each extension year the bid price for each labor category and the management fee will be increased over the prior year by a percentage amount as set forth in the contract. The contract would also provide that the contractor must pay at least the wages and benefits specified therein.

On December 29, 1983, the following proposals were received:

Bidder	Estimated 1st Year Cost	Estimated 2nd Year Cost	Estimated 3rd Year Cost	Estimated 3 Year Total
Five Star Parking	$3,058,495	$2,857,250	$3,356,073	$9,271,818*
Kinney Parking, Inc.	$2,954,090	$3,150,137	$3,363,501	$9,467,728*
Meyer's Parking System, Inc.	$2,958,037	$3,185,022	$3,506,555	$9,649,614*

*Excluding reimbursable expenses.

A performance and payment bond for each year of the term of the contract, including any extension, may be required, with the cost thereof to be reimbursable by the Port Authority.

The cost of operating the public parking facilities is recovered in the rates charged the public for the use of the facilities.

Five Star Parking has been determined to be technically qualified to perform the work.

It was therefore recommended that the Board authorize the Executive Director to award the contract to Five Star Parking, on the basis of the bid price set forth in its proposal, resulting in an estimated three-year cost of $9,271,818, exclusive of reimbursable expenses, based on Port Authority estimated annual hours for labor, Port Authority estimated number of supervisory positions and the management fee specified in the bid.

Whereupon, the following resolution was adopted; Commissioners Sagner and Kaltenbacher abstaining, Commissioner Wagner abstaining pending a further review by staff and Commissioner Schulman voting No:

RESOLVED, that the Executive Director be and he hereby is authorized for and on behalf of the Port Authority to accept in the manner provided therein the proposal submitted by Five Star Parking, a joint venture, and each of the five separate corporate entities comprising the joint venture, jointly and severally, covering the operation of the public parking lots at Kennedy International Airport for a period of three years commencing on or about March 1, 1984, the contractor's compensation to be based upon the rate for each labor category and the management fee specified in its proposal, with the Port Authority to have the right to increase the amount of the work under the contract during each year of the term thereof by an amount not in excess of 15% of the total payments made under the contract for such year on account of each labor category, the supervisory positions and the management fee or to decrease the amount of the work and to have the right to terminate the contract at any time without cause, the term of the contract being subject to extension, at the option of the Port Authority, for two additional one-year periods upon the same terms and conditions with the management fee due the contractor during each extension period and the price for each labor category being subject to adjustment by a percentage amount as set forth in the contract, the Port Authority to reimburse the contractor annually, in addition to other payments made under the contract for that year, for the purchase of authorized materials, supplies, equipment, and other reimbursable expenses specified in the contract at an estimated cost of $200,000 annually; and it is further

(Board - 1/12/84)

RESOLVED, that the Director of Aviation be and he hereby is authorized, in his discretion, to extend the contract for two additional one-year periods in accordance with the terms of the contract without further approval of the Board or any Committee, and to incur expenditures for extra services during each of the extension periods in an amount not to exceed 15% of the contract price agreed to for such period without approval of the Board or any Committee; and it is further

RESOLVED, that the Director of Aviation be and he hereby is authorized, in his discretion, to require a performance and payment bond for each year of the term of the contract, with the cost thereof to be reimbursed by the Port Authority; and it is further

RESOLVED, that the form of agreement be subject to the approval of General Counsel or his designated representative.

(Board - 1/12/84)

Kennedy International Airport - Extension of Fuel Farm Maintenance Agreement with Allied New York Services, Inc.

It is recalled to the Board that the Kennedy International Airport Basic Airline Leases ("Dewey Leases") obligate the Port Authority to provide a fuel storage capacity and a system for the receipt, storage and distribution of aviation fuel. Under the terms of the Dewey Leases, the Port Authority may elect to operate the system itself or may select an independent contractor. The Dewey lessees have the right to select their own independent contractor in the event the Port Authority elects not to designate a contractor or in the event the Dewey lessees object to the rates charged by the Port Authority's contractor and such objection is upheld in arbitration.

Since 1953 Allied New York Services, Inc. has operated the receipt, storage and distribution system at the airport pursuant to an operating agreement with the Port Authority. This operating agreement as revised has been extended from time to time and recently each year as Allied, the Port Authority and the Dewey lessees reached agreement on the new into-plane fuel charges payable by the airlines for said year.

Pursuant to authorization by the Committee on Operations, at its meeting on June 3, 1954, the Port Authority entered into an Agreement ("the Maintenance Agreement") with Allied under which Allied would perform certain routine maintenance and routine preventive maintenance in the bulk fuel facilities at the airport. The Maintenance Agreement, as revised, also has been extended from time to time on terms modified by the Committee on Operations, at its meeting on August 5, 1971, and most recently in accordance with the resolution of the Committee on Operations at its meeting on March 25, 1981 which authorized a one-year extension of the Maintenance Agreement through 1981 and two additional one-year extensions through 1982 and 1983 that have been exercised at the Executive Director's discretion.

Under the Maintenance Agreement the Port Authority pays for Allied for 100% of its operating costs plus a 5½% fee. All individual expenditures by Allied for materials, supplies and outside labor amounting to more than $150 require specific prior Port Authority approval. The Maintenance Agreement requires Allied to maintain a specified employee work force and to allocate a designated number of man hours per month to perform the work under the Maintenance Agreement. It continues to be most efficient to have this routine maintenance and routine preventive maintenance performed by the same contractor which operates the fuel storage and distribution system.

Maintenance costs for the most recent audited period (1981) were $357,278. At the time of the Committee's 1981 resolution, the costs for 1981 were estimated at $230,000. The increase over the estimate was due to charges for special inventories taken by Allied, at the request of the Port Authority, and the implementation of a rehabilitation program replacing roof seals and drains on storage tanks in both the bulk and satellite fuel farms. Unaudited billings for 1982 approximate $490,600, probable costs for 1983 are estimated to be $470,000 and anticipated costs for 1984 are estimated at $593,000. The rehabilitation work, which commenced in earnest in 1981-1982, was deferred in part during 1983 for various reasons and will be carried over to

1984. All Port Authority costs for providing and maintaining the storage facilities are covered by a fee of $.0055 per gallon of aviation fuel upon entry into storage. The volume has been about 1.1 billion gallons for each of the past two years and is expected to be at about this level in 1984. This would equate to annual fees at the aforesaid rates of approximately $5.9 million.

Upon the basis of the foregoing, it is recommended that the Board authorize the Executive Director to enter into a one-year extension of the maintenance agreement with Allied New York Services, Inc. through December 31, 1984, and, further, that the Board authorize the Executive Director to undertake, at his discretion, two additional one-year extensions through 1985 and 1986 in the event Allied remains as the Port Authority's operator of the fuel storage and distribution system at the airport and the Executive Director deems such actions appropriate at such times.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement with Allied New York Services, Inc. supplemental to and extending the present maintenance agreement with Allied New York Services, Inc. for the performance by Allied of routine maintenance and routine preventive maintenance on the aviation fuel storage facilities at Kennedy International Airport for an additional year ending December 31, 1984, and for the payment of the cost thereof in accordance with the maintenance agreement; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to undertake, at his discretion, two additional one-year extensions of the maintenance agreement with Allied through 1985 and 1986 in the event Allied continues as the Port Authority's operator of the fuel storage and distribution system at the airport and the Executive Director deems such actions appropriate at such times without further Committee or Board action; and it is further

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

(Board - 1/12/84)

Kennedy International Airport - Hangar Nos. 1 and 2, Related Buildings and Outside Area - Extension of Lease with Northwest Airlines, Inc.

It was recalled that the Board, at its meeting on October 10, 1974, authorized a 15-year lease with Northwest Airlines, Inc. for Hangar Nos. 1 and 2 and related buildings and outside areas located on a site of approximately 22.143 acres at Kennedy International Airport at an annual rental of $706,980. Hangars No. 1 and 2 were constructed by The City of New York in 1946 and, prior to the lease with Northwest, space in these buildings had been rented by the Port Authority on a multi-occupancy basis with the Port Authority retaining responsibility for the operation and maintenance of the various aspects of the buildings. Under the terms of the lease authorized by the Board, Northwest undertook certain modifications to convert the premises to a cargo facility and assumed the sole and complete responsibility for insuring the premises and for the operation, maintenance and repair of the premises.

Northwest has now proposed to undertake additional major modifications to Hangar Nos. 1 and 2 to further modernize the cargo handling capability. The proposed modifications include the installation of an automated cargo handling system in Hangar No. 2, the addition of permanent extensions on the north and south hangar faces as a part of that system, the construction of a new maintenance facility, upgrading of the building interior and relocation of various access roadways. Northwest estimates the cost of the work at between $6.8 and $9 million and has requested an extension of its occupancy beyond 1989, the present expiration date, to provide an adequate period to amortize the proposed investment.

Negotiations have been substantially completed with Northwest to extend its occupancy to September 30, 1999, a period of 10 years beyond the current expiration date of its lease, at the following rentals:

Annual Rental Payments

	Land (approx. 22.143 acres)	Building (approx. 172,859 sq. ft.)	Total Approx. Annual Rental
Existing to 9/30/89	$243,576	$ 463,404	$ 706,980
10/1/89 to 9/30/94	$487,146 ($22,000/Acre)	$1,210,013 ($7.00/sq. ft.)	$1,697,159
10/1/94 to 9/30/99	$575,718 ($26,000/Acre)	$1,469,302 ($8.50/sq. ft.)	$2,045,020

These rental rates are comparable to those recently approved by the Board for other leases at Kennedy International Airport covering similar time periods and comparable facilities. Under the terms of the proposed agreement, Northwest will be required to invest a minimum of $6.8 million for the proposed modifications and will have a period of approximately 15 years within which to amortize its investment.

During the period of the proposed agreement Northwest will continue to have sole and complete responsibility for the operation, maintenance and repair of the premises and will carry insurance thereon. The Port Authority will sell electricity and water to Northwest on a metered basis with the obligation to supply electricity limited to the existing installed transformer capacity of 600 KVA.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement with Northwest Airlines, Inc. at Kennedy International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement with Northwest Airlines, Inc. extending the occupancy of Northwest Airlines, Inc. at Hangars No. 1 and 2 and associated buildings and outside areas at Kennedy International Airport for a term expiring on September 30, 1999 at annual rental rates as follows:

Annual Rental Payments

	Land (approx. 22.143 acres)	Building (approx. 172,859 sq. ft.)	Total Approx. Annual Rental
Existing to 9/30/89	$243,576	$ 463,404	$ 706,980
10/1/89 to 9/30/94	$487,146 ($22,000/Acre)	$1,210,013 ($7.00/sq. ft.)	$1,697,159
10/1/94 to 9/30/99	$575,718 ($26,000/Acre)	$1,469,302 ($8.50/sq. ft.)	$2,045,020

with Northwest to be obligated to undertake the construction of modifications to the premises and to install an automated cargo handling system at a total cost of not less than $6.8 million, and with Northwest to have the responsibility for all operation and maintenance of the premises and the obligation to insure the premises and with the Port Authority to supply and Northwest to pay for electricity and cold water on a metered basis subject to an electrical limitation of an installed transformer capacity of 600 KVA; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

Newark International Airport - Airport Parking Company of America, Inc. - Authorization of Additional Expenditures

It was recalled that the Board, at its meeting on November 9, 1978, authorized the award of a contract to operate the public parking facilities at Newark International Airport to Airport Parking Company of America, Inc. (APCOA) for a three-year period commencing February 1, 1979, at a bid total of $4,906,020, plus an allowance of 10% for extra work and an additional $100,000 per year for materials and supplies. The contract also provided for the Executive Director to authorize two successive one-year extensions.

Under the contract, the prices for the first extension year requested were determined by adjusting the bid prices for the third year of the contract (February 1, 1981 to January 31, 1982) based upon changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers. The bid total of $1,722,986 for the third year of the contract was increased in the first extension year (February 1, 1982 to January 31, 1983) by 10.1% to $1,897,008. It was determined that during the second extension year (February 1, 1983 to January 31, 1984) the contract price would be increased by 8% to an estimated total of $2,048,630, plus a 10% allowance for extra work and reimbursement to the contractor for materials and supplies up to $100,000 annually. In July 1982, the Executive Director authorized the second year extension at an estimated total cost of $2.35 million.

Newark International Airport is experiencing unprecedented growth and a substantial increase in passenger levels as a result of the rapid expansion of People Express Airlines, Inc. Consequently, facility management has had to activate additional Parking Lots 2, 3 and 4 at the north end and new Parking Lot E to accommodate airport users. As a result, the parking lot contractor has incurred additional expenses. It is estimated that, in order to recompense APCOA for the level of service provided as required by the Port Authority for the period from February 1, 1983 to January 31, 1984, an additional $925,000 is required; $845,000 in contract costs and $80,000 for materials and supplies. This will increase the annual authorization to approximately $2,890,000 for contract costs and $180,000 for materials and supplies for the period ending January 31, 1984.

It was recalled that the Board, at its meeting on December 8, 1983, extended the terms of APCOA's existing agreement for a period not to exceed eight months beginning February 1, 1984 at an approximate total cost of $2,240,000.

It was therefore recommended that the Board authorize additional payments to Airport Parking Company of America, Inc. under the contract previously authorized by the Board, at its meeting on November 9, 1978, in the estimated amount of $845,000 in contract costs and $80,000 for materials and supplies for the period February 1, 1983 through January 31, 1984, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the authorization for the estimated expenditure of funds by the Port Authority for the operation of the public parking facilities at Newark International Airport by Airport Parking Company of America, Inc. (APCOA) under the contract previously authorized by the Board, at its meeting on November 9, 1978, be and it hereby is increased by the total estimated amount of $925,000, including $845,000 in contract costs and $80,000 for materials and supplies for the period February 1, 1983 through January 31, 1984.

(Board - 1/12/84)

LaGuardia Airport - Contract PSE-394 - General Cleaning West End Buildings and Parking Lots

The cleaning of the West End Buildings at LaGuardia Airport is presently accomplished under Contract PSE-310 by Organized Maintenance, Inc. It was recalled that the Board authorized this contract, after acceptance of bids, at its meeting on December 13, 1979. The contract has been extended for two one-year periods, as provided therein, and will expire on January 21, 1984.

The cleaning of the parking lots at LaGuardia Airport is presently accomplished under Contract PSE-355 also by Organized Maintenance, Inc. It was recalled that the Committee on Operations authorized Contract PSE-355, after acceptance of bids, at its meeting on November 25, 1981. The basic two-year term of this contract will expire on January 14, 1984. When bids on this contract were solicited bidding was restricted to cleaning organizations, including those doing work for tenants, which were presently working at LaGuardia Airport. This was done for the express purpose of eliminating the need for a supervisor by utilizing existing supervisory capabilities. With the expiration of Contract PSE-310 the supervision provided under Contract PSE-355 will be lost. It is therefore necessary to permit PSE-355 to expire at the end of the basic two-year term.

It was proposed to combine the functions of both Contracts PSE-310 and PSE-355 into a single proposed new Contract, PSE-394. This contract would call for unit prices and for adjustments in work stations and routines and provide that the bid prices remain the same during the initial two-year term. The estimated cost of the two-year contract is $530,000. The contract would be subject to renewal for two additional two-year periods with the contract prices during each renewal period to be subject to adjustment based upon the difference between the estimated cost for labor and materials during the renewal period and the contractor's actual cost for labor and materials during the previous term of the contract. The Port Authority auditors would verify the actual costs and review the estimated cost for reasonableness. If the parties should fail to agree on the adjusted compensation for a renewal period or if for any other reason either of the parties should refuse to execute an extension agreement, the contractor would not be extended.

The contract also provides that the Port Authority may order extra work thereunder at a cost of up to 15% of the estimated total contract price for the initial two-year term and for any extension thereof.

The Port Authoriy wage clauses will be included in the requirements of the contract.

Bids have been publicly advertised and solicited from firms staff deems may be interested. Potential bidders have been notified that they will have to meet certain prerequisites to qualify for award which shall consist of the following:

1. experience in commercial or industrial cleaning for at least five years prior to the submission of the proposal;

2. gross annual income from cleaning operations of at least $1 million; and

3. a minimum of 75 full-time employees engaged in cleaning activities.

Bids are anticipated to be received prior to the expiration of the existing contracts.

Since it would be beneficial to the Port Authority that award of the agreement be made as soon as possible to provide adequate time for preparation to commence work, authorization is hereby requested for the Executive Director to accept the proposal of the lowest qualified bidder.

It is therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to accept the proposal of the lowest qualified bidder on Port Authority Contract PSE-394 for general cleaning of the West End Buildings and Parking Lots at LaGuardia Airport and that the Director of Aviation be authorized to enter into agreements extending said contract for up to two additional two-year periods and to order extra work under the contract, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized for and on behalf of the Port Authority to accept in the manner provided therein the proposal of the lowest qualified bidder under Port Authority Contract PSE-394 for the performance of general cleaning of the West End Buildings and Parking Lots at LaGuardia Airport in accordance with the terms and provisions thereof and at the charges bid, it being understood that until formal acceptance shall be given to the successful bidder as provided in the Information for Bidders, this resolution shall not be construed as an acceptance of any proposal; and it is further

RESOLVED, that the Director of Aviation be and he hereby is authorized for and on behalf of the Port Authority to enter into agreements extending Port Authority Contract PSE-394 for two additional two-year periods at the prices in effect immediately prior to the respective extension period as adjusted based solely on estimated changes in the contractor's costs of labor and materials as verified by Port Authority audit; and it is further

RESOLVED, that the Director of Aviation for and on behalf of the Port Authority be and he hereby is authorized, at his discretion, to order extra work under Port Authority Contract PSE-394 and any extension thereof at additional payments not more than 15% of the estimated total contract price; and it is further

RESOLVED, that the form of the agreement be subject to the approval of General Counsel or his designated representative.

(Board - 1/12/84)

New York City Passenger Ship Terminal and Port Newark and Elizabeth-Port Authority Marine Terminals - Maintenance Dredging - Contract MFP-155 - Award

It was reported that bids were solicited by public advertisement on Contract MFP-155 for the removal and disposal of approximately 500,000 cubic yards of accumulated material from various berths at the New York City Passenger Ship Terminal and Port Newark and Elizabeth-Port Authority Marine Terminals. The contract also provides for cleaning, reconnecting and putting into working order existing anti-siltation devices at the New York City Passenger Ship Terminal, all on a net cost basis, presently estimated at roughly $20,000.

It was further reported that on January 10, 1984, two bids were received, ranging from a high bid in the estimated amount of $2,215,000 to a low bid in the estimated amout of $2,015,000. The low bid was submitted by Great Lakes Dredge and Dock Company. The bid of Great Lakes Dredge and Dock Company was placed before the meeting. The form of contract was approved by General Counsel.

Upon the basis of a careful examination of all the bids and of the qualifications and experience of the bidders, it was recommended that the contract be awarded to Great Lakes Dredge and Dock Company which was recommended by the Chief Engineer as qualified. It was further recommended that the Executive Director be authorized to order extra work up to the amount of $200,000 without further Board or Committee approval.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, the Port Authority has invited bids on Contract MFP-155 for the removal and disposal of approximately 500,000 cubic yards of accumulated material from various berths at the New York City Passenger Ship Terminal and Port Newark and Elizabeth-Port Authority Marine Terminals; and

WHEREAS, bids on the aforesaid contract were submitted to the Port Authority and were publicly opened and then carefully compared and the qualifications of the bidders carefully investigated; and

WHEREAS, Great Lakes Dredge and Dock Company has submitted a bid for the performance of said contract in the estimated total amount of $2,015,000 and the Port Authority is satisfied that said bidder is qualified by reason of responsibility, experience and capacity to perform the contract if it be awarded to it and that the public interest will be best served by accepting the bid of said bidder;

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to accept said bid in the manner provided therein provided that until the Executive Director shall give formal notice to that effect to the bidder, as provided in the Information for Bidders, this resolution shall not be construed as an acceptance of said bid; and it is further

(Board - 1/12/84)

RESOLVED, that upon acceptance of said bid, the Port Authority staff members designated by title in said contract to exercise certain powers and duties be and they hereby are authorized to exercise said powers and duties and to do all things required or permitted by said contract to be done by them; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to order extra work up to the amount of $200,000 without further Board or Committee approval; and it is further

RESOLVED, that the Secretary be and she hereby is directed to file in and as part of her official records the bid on said contract and the duplicate original of the acceptance thereof.

(Board - 1/12/84)

Elizabeth-Port Authority Marine Terminal - Berth 72/74 - Atlantic Container Line, Ltd. - New Lease

Atlantic Container Line, Ltd. presently leases an 85-acre terminal at the Elizabeth-Port Authority Marine Terminal for a term due to expire on September 30, 1987. The property adjacent thereto has been leased as a terminal since October 1, 1967 to Moore McCormack Lines, Incorporated (as of November 1, 1983 known as United States Lines (S.A.)). Moore McCormack subleased this adjacent terminal to Pittston Stevedoring Corporation in August 1971. Pittston thereafter suffered financial difficulties and filed for bankruptcy under Chapter 11 on October 19, 1981. Pittston subsequently petitioned the bankruptcy court to reject the sublease with Moore McCormack as well as the direct lease between Pittston and the Port Authority covering two buildings owned by the Port Authority and located on the terminal property, which the court did on August 18, 1983. Possession of the terminal thus reverted to Moore McCormack, which expressed a desire to surrender the lease. The terminal has been vacant since November 1982.

Tentative agreements have been reached pursuant to which the Port Authority would accept a surrender of Moore McCormack's lease and re-let the terminal to Atlantic Container Line, Ltd. Atlantic Container Line would lease the terminal for a term commencing upon the latter of approval of the agreement by the Federal Maritime Commission or the execution (and approval by the Federal Maritime Commission, if necessary) of an agreement by the Port Authority with Barber Lines A/S, a consortium of three European steamship lines, or other party, covering the rental of a container crane recently purchased by the Port Authority from the Pittston estate. The term of this lease would also expire on September 30, 1987. Atlantic Container Line would pay an annual basic rental representing the sum of the annual basic rental Moore McCormack is paying for the terminal ($454,030) plus the sum which Pittston had been obligated to pay under its lease with the Port Authority for the two buildings at the terminal prior to filing for bankruptcy ($164,079). The proposed lease would also provide for the reimbursement by the Port Authority to Atlantic Container Line for the reasonable costs up to $800,000 for the demolition of said two buildings and paving the area affected by the demolition. Atlantic Container Line will pay the Port Authority a construction rental sufficient to fully amortize said reimbursement by September 30, 1987 at an annual interest rate of 14%. The total rental of approximately $958,000 including estimated construction rental of $340,000 represents a large increase over the former rent. The increase is a result of Atlantic Container Line paying rental obligations formally owed by Pittston for the demolished buildings plus the construction rental which includes reimbursement for paving which represents a permanent improvement to the facility.

Under the terms of the proposed surrender agreement, Moore McCormack would pay the Port Authority $200,000 in consideration of the Port Authority accepting the surrender of its lease.

Atlantic Container Line will use the terminal primarily to service Barber Blue Sea, the U.S. operating division of Barber Lines A/S. Barber Blue Sea and Atlantic Container Line have a terminal agreement, consented to by the Port Authority, which was recently approved by the Federal Maritime Commission. Universal Maritime Service Corporation presently performs stevedoring work for Barber Blue Sea. Universal filed a protest to the Atlantic Container Line/ Barber Blue Sea terminal operating agreement when it was filed on February 2, 1983. One of the

unavailing grounds of protest raised by Universal was that the proposed lease with Atlantic Container Line continues rental rates established under the prior lease with Moore McCormack. Due to the Pittston bankruptcy complications, the desire of the lines to effect efficiencies through joint terminal services, the shortness of the term and the increase in revenue to the Port Authority, the above agreements are recommended.

It should be noted that under the proposed lease Atlantic Container Line would be allowed to berth at the terminal vessels owned or operated by Atlantic Container Line, Ltd., by its corporate parent, by shareholders of the parent, by steamship lines for which the foregoing companies serve as a general agent and by Barber Blue Sea and any other lines with which the lessee has with the prior approval of the Port Authority, entered into a continuing contract for terminal services. It is staff's intention to grant consent to the use of the terminal by such other steamship lines only if it deems it in the best interests of the port.

It is also recommended that the Executive Director be authorized to enter into an agreement with Barber Lines A/S or other party covering the rental of the container crane recently purchased by the Port Authority from the Pittston estate and the reimbursement by the Port Authority of up to $1.1 million for improvements made to the crane by the lessee of the crane.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized for and on behalf of the Port Authority to enter into a surrender agreement with Moore McCormack Lines, Incorporated (now United States Lines (S.A.)), for the surrender of its terminal at the Elizabeth-Port Authority Marine Terminal in consideration of the payment of $200,000 to the Port Authority; 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 an agreement with Atlantic Container Line, Ltd. for the letting of the terminal being surrendered by Moore McCormack; such letting to commence upon the latter of approval of the agreement by the Federal Maritime Commission or the execution (and approval by the Federal Maritime Commission if necessary) of an agreement by the Port Authority and a third party covering the rental of the container crane recently purchased by the Port Authority from the estate of Pittston Stevedoring Corporation; the term of the lease to expire on September 30, 1987; the lessee to pay an annual basic rental of $618,109 payable in equal monthly installments; the Port Authority to reimburse the lessee for the reasonable costs for certain demolition and paving work up to a maximum of $800,000; the lessee to repay such amount reimbursed at an interest rate of 14% per year over the balance of the term of the letting; and it is further

(Board - 1/12/84)

RESOLVED, that the Executive Director be and he hereby is authorized for and on behalf of the Port Authority to enter into an agreement covering the rental of the container crane recently purchased from the estate of Pittston Stevedoring Corporation on such terms and conditions as he deems appropriate, including provision for reimbursement to the lessee of such crane for improvements by such lessee to the crane up to a maximum of $1.1 million; and it is further

RESOLVED, that the form of each of these agreements be subject to the approval of General Counsel or his designated representative.

ConRail Sale - Contingency Planning Services - Amendments to Existing Agreements and Increase in Authorization

It was recalled that the Board, at its meeting on July 8, 1982, authorized the Executive Director to retain professional services at an amount not to exceed $300,000, based on proposals received June 28, 1982, and which were under evaluation at that time, for contingency planning services related to the sale of ConRail. The Northeast Rail Services Act of 1981 mandated that ConRail be sold by the U.S. Department of Transportation to the private sector. The Port Authority, together with the New Jersey and New York Departments of Transportation therefore initiated a coordinated planning process to deal with the contingencies that might arise from the forms that such a sale could take. The objective of this contingency planning is to develop plans and recommendations to assure the best regional rail freight service by a ConRail successor. In close consultation, staff of the Port Authority and the Departments of Transportation of New York and New Jersey undertook a thorough review of the proposals received and were unanimous in their determination that the firm of R.L. Banks & Associates, Inc. was the best qualified to carry out the scope of work contained in the Request for Proposals. In addition to designated services, R.L. Banks & Associates, Inc. suggested two other tasks that were not in the general work outline; and an unsolicited proposal was received from another firm, C.A.C.I., Inc. - Federal, also for a task not in the general work outline. These additional proposals were thoroughly reviewed by staff of the Port Authority and the New Jersey and New York Departments of Transportation and were determined to cover important additional services for the contingency planning effort.

Accordingly, the Executive Director authorized an agreement with R.L. Banks & Associates, Inc. at a price estimated at $266,000, and an agreement with C.A.C.I., Inc. - Federal at a price estimated at $22,705 for contingency planning services related to the sale of ConRail. Thus, the total estimate for the two agreements was $288,705. As part of this regional planning effort the Port Authority is undertaking with the two States, New York State subsequently indicated its willingness to contribute to the cost of professional services retained for these contingency planning studies. The Committee on Port Planning, at its meeting on October 14, 1982, authorized the Executive Director to enter into an agreement with the Department of Transportation of the State of New York under which the latter would contribute up to $40,000 to the compensation of the two firms retained by the Port Authority for ConRail contingency planning services in an amount then estimated at $288,705. Through the deletion and addition of certain work tasks as provided for in the agreement, the limit on compensation in the R.L. Banks & Associates, Inc. agreement was later reduced from an amount not to exceed $266,000 to an amount not to exceed $252,508. The compensation provided for in the C.A.C.I., Inc. - Federal agreement has been increased by the Executive Director to an amount not to exceed $26,705.

(Board - 1/12/84)

As initially contemplated, the contingency planning studies for the sale of ConRail were to focus on developing and making major inputs to those agencies responsible for the sale prior to any such transaction. Now, after over a year of study, it has been determined that various government agencies, the Congress, the railroad industry, and ConRail itself all view an entity sale rather than a sale in parts as being the most desirable and the least disruptive to the industry. ConRail employees have already made an entity proposal, and it is known that several railroad companies are also studying the implications of also making an entity offer. Therefore, there is now a need to enlarge the scope of the contingency planning studies to include analyses of offers and related plans, which R.L. Banks & Associates, Inc. would perform, as well as the determination of possible requirements for legislation stemming from various purchase offers, which we plan to have C.A.C.I., Inc. - Federal perform, both under the authorization requested herein. It is also possible that the professional services of additional firms or individuals may be required, particularly if significant legislative changes are made which affect the sale process and also, possibly, the nature of purchase offers. The impact which any such offers could have on this region can then be assessed and communicated to the members of Congress from the region (Congressional approval is required for any sale of ConRail). There are at present many uncertainties as to how many purchase offers may be made and as to the nature and form of legislative developments which may occur. Therefore, it may be necessary to adjust the allocation of the additional funds requested herein among the firms or individuals providing these professional services as the scope of their work develops. It should be noted that these additional contingency planning services could extend at least through 1984.

It was therefore recommended that the Board: (a) authorize the Executive Director to amend the agreements with R.L. Banks & Associates, Inc. and C.A.C.I., Inc. - Federal to provide for the performance, at a total combined price estimated at $48,000, of additional services consisting of the analyses of purchase offers and related plans for the sale of ConRail as an entity and the determination of possible legislative requirements stemming from such offers and (b) increase from an amount not to exceed $300,000 to an amount not to exceed $400,000 the Executive Director's authorization to execute agreements with a consultant or consultants for contingency planning studies related to the sale of ConRail.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized: (a) to amend the agreements with R.L. Banks & Associates, Inc. and C.A.C.I., Inc. - Federal to provide for the performance, at a total combined price estimated at $48,000, of additional services consisting of the analyses of purchase offers and related plans for the sale of ConRail as an entity and the determination of possible legislative requirements stemming from such offers and (b) to increase from an amount not to exceed $300,000 to an amount not to exceed $400,000 the Executive Director's authorization to execute agreements with a consultant or consultants for contingency planning studies related to the sale of ConRail.

Port Authority Helicopter - Authorization for Replacement of Existing Helicopter

It was reported that staff recommends the purchase of a 222UT nine place (seven-passenger and two-pilot) helicopter from Bell Helicopter Textron Inc. (Bell), Fort Worth, Texas, to replace the older of the Port Authority's existing MBB BO-105 CBS helicopters, at a basic price of approximately $975,000, with an additional price for completion and options in accordance with Port Authority specifications of approximately $230,000, for a total price of approximately $1,205,000. Staff further recommends the disposal of Port Authority Boelkow Helicopter N4202D either by sale by publicly advertised bid or as a trade-in on the purchase of the new helicopter, at the highest offer at or above $465,000, which would result in a net expenditure for the new helicopter of approximately $740,000. The proposed purchase of a Bell 222UT helicopter to be operated in place of the Port Authority's older MBB BO-105 CBS helicopter will provide seating capacity for seven passengers and will replace a five place MBB BO-105 CBS helicopter which previously had seating for four passengers, and which capacity was reduced to seating for three passengers with the implementation of a second pilot in flight operations.

The purchase of a helicopter with a larger seating capacity has been considered from time to time and is being recommended now because staff has determined that the price cited above, combined with the present trade-in value of the existing helicopter yield an attractive financial terms for the Port Authority. A primary usage of the two helicopters is to accommodate business visitors such as investors, foreign business and government officials on inspection trips and to facilitate port promotion tours.

Staff has examined technical data and proposals and informal proposals from several major helicopter manufacturers in terms of the Port Authority's requirements. The three major helicopters examined were the Agusta 109A six-passenger, Bell 222UT seven-passenger and the MBB BK-117 six-passenger helicopters. The Agusta was considerably more expensive than the Bell 222UT or the MBB BK-117, which were comparable in cost. After a detailed analysis of the advantages and disadvantages of the Bell 222UT as opposed to the MBB BK-117, it was concluded that the Bell 222UT offers certain technical advantages over the other helicopter, including certification for Instrument Flight Rules flight operations. Based on staff's operation of twin-engine helicopters during the past 10 years, it is expected that pilots will have an easy transition to the operation of this advanced Bell 222UT helicopter. In addition, Bell will provide the Port Authority with technical assistance. Bell, as part of the purchase contract, also offers a one-year pro-rated warranty program for replacement components, which is a favorable provision.

Bell has advised the Port Authority that it can make delivery of a new 222UT helicopter shortly after the award of a purchase contract at a total price of approximately $1,205,000, including completion and option items in accordance with Port Authority specifications, such as environmental control system, radio equipment, exterior painting and special soundproofing.

Proceeds have been guaranteed by Bell from the sale of Port Authority MBB Helicopter N4202D to Bell as a trade-in on the new helicopter at $465,000, resulting in a net expenditure by the Port Authority of approximately $740,000 for the purchase of the replacement aircraft.

(Board - 1/12/84)

It was therefore recommended that the Board authorize the Executive Director to:

1. enter into an agreement to purchase a 222UT nine place (seven-passenger and two-pilot) helicopter from Bell Helicopter Textron Inc., Fort Worth, Texas, to replace the older existing Port Authority MBB BO-105 CBS helicopter, at a basic price of approximately $975,000, with an additional price for completion and options in accordance with Port Authority specifications of approximately $230,000, for a total price of approximately $1,205,000; and

2. dispose of Port Authority Boelkow Helicopter N4202D either for sale by publicly advertised bid or as a trade-in on the purchase of the new helicopter at the highest offer at or above $465,000, which would result in a net expenditure for the new equipment of approximately $740,000.

Whereupon, the following resolution was adopted, Commissioner McGoldrick voting No:

RESOLVED, that the Executive Director be and he hereby is authorized for and on behalf of the Port Authority to (1) purchase a 222UT nine place (seven-passenger and two-pilot) helicopter from Bell Helicopter Textron Inc., Fort Worth, Texas, to replace the older existing Port Authority MBB BO-105 CBS helicopter, at a basic price of approximately $975,000, with an additional price for completion and options in accordance with Port Authority specifications of approximately $230,000, for a total price of approximately $1,205,000; the form of the agreement to be subject to the approval of General Counsel or his authorized representative; and (2) dispose of Port Authority Boelkow Helicopter N4202D either for sale by publicly advertised bid or as a trade-in on the purchase of the new helicopter, at the highest offer at or above $465,000, which would result in a net expenditure for the new equipment of approximately $740,000.

Whereupon, the meeting was adjourned.

Secretary

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, February 9, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Jerry Fitzgerald English	Robert F. Wagner, Acting Chairman
Robert V. Van Fossan	William J. Ronan
Philip D. Kaltenbacher	James G. Hellmuth
William K. Hutchison	Lewis L. Glucksman
Henry F. Henderson, Jr.	John G. McGoldrick

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel and Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Patrice Allen-Gifford, Administrative Assistant
Robert F. Bennett, Assistant Executive Director
Gwendolyn K. Crider, Administrative Assistant
Eugene J. Fasullo, Assistant Chief Engineer for Design
Sidney Frigand, Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director and Director of Administration
Francis A. Gorman, Director of Rail Transportation
Philip LaRocco, Director of Economic Development
Donald R. Lee, Director of Audit
Katharine B. MacKay, Executive Assistant to Executive Director
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Comptroller
Edward J. O'Malley, Director of Personnel
Leonard J. Riley, Director of Office of Management Information Services
Martin E. Robins, Director of Planning and Development
Bernard J. Schuman, M.D., Medical Director
Victor T. Strom, Director of Management Services
Anthony J. Tozzoli, Port Director
Guy F. Tozzoli, Director of World Trade
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Assistant Director of Finance
Marshal L. Wilcox, Jr., Treasurer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs

The meeting was called to order by the Acting Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of January 12, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on February 9, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on February 9, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on February 9, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on February 9, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

(Board - 2/9/84)

Acquisition of a Computer Aided Design/Drafting System

It was reported that Computer Aided Design/Drafting is part of a growing field of computer graphics based on drawings made on TV-like video display terminals. Information is entered via a keyboard and/or a device called a digitizer – a large board on which a sheet of paper can be placed along with a "menu" consisting of a number of preselected elements (e.g. standard window, door, I-beam) or functions (e.g. move, rotate, delete). The operator can select the element or function desired from the menu and point to the location on the drawing to place the element using a hand held device similar to a pen. In addition, stored standard drawings (e.g. stairway detail) can be called up from memory by the operator thereby eliminating repetitive drafting. If required, specialized engineering analysis software such as structural analysis can be interfaced with the design. When completed on the screen, finished drawings can be produced in hard copy by computer driven plotters or stored electronically on tape or disk.

An interdepartmental study team comprised of staff from the Engineering Design Division and the Office of Management Information Services has conducted an in-depth study and has identified the following potential benefits to the Port Authority of using a Computer Aided Design/Drafting system:

– Quality of the design product will be increased due to the engineer's ability to evaluate an increased number of alternative designs.

– Construction costs will be reduced due to more optimized designs.

– Recruitment of highly qualified new employees will be easier when the organization can demonstrate its capability to provide them with the latest technological aids.

– Productivity gains of 150% are projected for each workstation installed.

The contract will provide for the furnishing, installation and maintenance for one year of a Computer Aided Design/Drafting system with four to six workstations and the Port Authority will have the option of expanding the system to 16 workstations within two years and having the maintenance performed at a fixed price plus escalation for an additional year.

The first phase of the program, estimated to cost $980,000, includes furnishing, installation and maintenance for one year of the system processor and its peripheral equipment, and four to six workstations to be installed in the Engineering Department. The second phase of the program would expand the system at an estimated price of $920,000, and would be undertaken only with the prior approval of the Chairman of the Committee on Operations. The expanded system would provide for the furnishing, installation and maintenance for one year of auxiliary equipment and additional memory for the system processor, and workstations for the Aviation, World Trade and Rail Transportation Departments, as well as additional workstations for the Engineering Department. Up to a total of 16 workstations could be installed.

(Board - 2/9/84)

Proposals were solicited from a list of potential sources identified by an interdepartmental study team comprised of staff from the Office of Management Information Services and the Engineering and General Services Departments and were received on January 30, 1984. All proposals will be evaluated by this team. In addition to price, the team will evaluate such factors as hardware, software, training and support, data management and general fitness for purpose.

It was therefore recommended that the Executive Director be authorized:

1. to enter into a contract for the furnishing, installation and maintenance for one year of an interactive, turnkey Computer Aided Design/Drafting system with four to six workstations and auxiliary equipment at a total price of approximately $980,000 with the firm whose proposal he deems offers the most favorable combination of factors including price, hardware, software, training and support, data management and general fitness for purpose and is in the best interest of the Port Authority; and

2. to exercise options to purchase additional workstations and auxiliary equipment to increase the system to up to 16 workstations and to have maintenance performed on the system for an additional year, subject to the approval of the Chairman of the Committee on Operations, at a total additional price of approximately $920,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into a contract for the furnishing, installation and maintenance for one year of an interactive, turnkey Computer Aided Design/Drafting system with four to six workstations and auxiliary equipment at a total price of approximately $980,000 with the firm whose proposal he deems offers the most favorable combination of factors including price, hardware, software, training and support, data management and general fitness for purpose and is in the best interest of the Port Authority; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized subject to the approval of the Chairman of the Committee on Operations, to exercise options to purchase additional workstations and auxiliary equipment to increase the system to up to 16 workstations and to have maintenance performed on the system for an additional year at a total additional price of approximately $920,000; and it is further

RESOLVED, that the form of such contract be subject to the approval of General Counsel or his designated representative.

(Board - 2/9/84)

The World Trade Department - Participation Agreement with Newark Economic Development Corporation

It was recalled that, at its meeting on June 29, 1983, the Board authorized the Executive Director to commence appropriate studies and planning at a cost not in excess of $600,000 for consultant and other expenses, to lead to an amendment of the master plan for industrial development projects and facilites adopted by the Board on July 12, 1979 and amended on March 12, 1981 and June 10, 1982, to include the site of a proposed new development in the City of Newark in the vicinity of Pennsylvania Station.

The Governors of New York and New Jersey have agreed that the Port Authority should proceed with the development of a building in a new commercial center in Newark in the vicinity of the PATH terminus.

It was reported to the Board that the Newark Economic Development Corporation (NEDC) has made available $100,000 to be used for the preparation of preliminary studies and plans to be jointly undertaken by the Port Authority and NEDC. The agreement between the Port Authority and NEDC will provide for, among other things, the joint selection of consultants to determine the feasibility of a hotel as part of the project, as well as architectural and engineering studies necessary for the development of a master plan. The master plan will provide for the phased development of the project to accommodate office space connected to Pennsylvania Station via a pedestrian bridge and specifically designed for legal, communications and financial tenants. The plan will also provide for an evaluation of parking requirements, consumer services, potential for hotel space, conference and meeting facilities.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into a participation agreement to be negotiated with the Newark Economic Development Corporation (NEDC) for the preparation of a master plan and other related studies for the proposed new development in the City of Newark in the vicinity of Pennsylvania Station; the form of said agreement to be subject to the approval of General Counsel or his authorized representative.

(Board - 2/9/84)

The World Trade Center - Partial Surrender of Lease with Ebasco Services, Inc. and New Lease with Keefe, Bruyette & Woods, Inc.

It was reported that Ebasco Services, Inc. currently occupies 677,476 rentable square feet of office space on 16 floors in Two World Trade Center, paying a rental rate of approximately $8.70 per rentable square foot plus cleaning and electricity under a lease which commenced October 1, 1981 and expires September 30, 2006. Because of some reduction in their business, Ebasco has agreed to give up the 85th floor, amounting to 43,206 rentable square feet of space, provided that it share in the additional rent received, for the remainder of its term, from a successor tenant. Tentative agreement has been reached, subject to Board approval, for a surrender of that space and its reletting to Keefe, Bruyette & Woods, Inc., an international securities firm, at substantially higher rentals.

It was further reported that Keefe, Bruyette & Woods, Inc. will lease this full floor for a 15-year term commencing approximately July 1, 1984 with an option to extend the term for an additional five years. For the first 10 years of the term Keefe, Bruyette & Woods, Inc. will pay a basic rent of $40 per rentable square foot per year and will pay a rental equal to the then-fair rental value but not less than $40 per rentable square foot per year for the 11th through 15th year. If Keefe, Bruyette elects to extend the lease for an additional five years the rental will be equal to the then-fair rental value but not less than the basic rental payable prior to the extension period. Keefe, Bruyette will also pay additional rental for increases in operating costs and in-lieu-of tax payments, as well as cleaning and electricity. Ebasco expects to vacate the space on or about February 28, 1984; Keefe, Bruyette will be given a re-construction allowance not to exceed $432,060 ($10 per rentable square foot) and 120 days in which to reconstruct the space. Payment of rental will not commence until the expiration of the 120-day period unless Keefe, Bruyette actually commences business operations in the space prior thereto. Keefe, Bruyette will have the right to sublet provided it receives from each subtenant a rental at least equal to the then-current rental rates charged by the Port Authority. In the event the sublease rental is in excess of the rental provided in the Keefe, Bruyette lease such excess, after deducting certain specified costs of Keefe, Bruyette in connection with the subleasing plus the sum of $1 per square foot of the subleased space, will be payable to the Port Authority. A real estate brokerage commission at rates no greater than the rates approved by the Board, at its meeting on August 11, 1977, will be payable to Edward S. Gordon & Co., the brokers in this transaction.

In consideration of the surrender of the 85th floor space on or about February 28, 1984, Ebasco would receive a credit, against its other rental obligations, of $400,000 per year credited monthly commencing July 1, 1984 for the remainder of the term of its lease. Staff estimates that the reletting to Keefe, Bruyette will result in additional rental payments to the Port Authority, through the 15 years of the Keefe, Bruyette lease, of approximately $15 million. On the assumption that the space will be re-let for the remaining seven years of the Ebasco term, substantial additional revenue to the Port Authority would be generated. In the event Keefe, Bruyette does not execute its lease, the proposed surrender by Ebasco of the 85th floor space would not be effective but staff has agreed, subject to Board approval, to reimburse Ebasco for any relocation costs it may have incurred in contemplation of the surrender of such space.

It was also reported that under the terms of Ebasco's lease, Ebasco was to receive a maximum construction and finishing advance of $9,661,281 by October 1, 1981. Of this sum, $8,542,394 was paid by that date; however, pending resolution of certain disputed charges, the remaining $1,118,887 balance due Ebasco was deferred. Subsequently, this balance was paid in three installments, the final payment in May 1983. Ebasco has been repaying each month, since October 1, 1981, principal and interest payments on the $8,542,394 advanced prior to October 1, 1981. However, they have not paid approximately $119,500 interest charges which staff claimed was owed on this $1,118,887. Ebasco contests payment of this charge inasmuch as they had not received the advance as anticipated by the lease and accordingly incurred interest costs of approximately $135,000. To resolve this dispute, staff has agreed to restructure the lease repayment schedule to reflect the payback of the deferred $1,118,887 in payments plus interest commencing retroactively to July 1, 1983. This will result in the elimination of approximately $119,500 in interest charges in return for which Ebasco will withdraw its request of $135,000.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with Ebasco Services, Inc. providing for the surrender of its premises on the 85th floor in Two World Trade Center and also providing for the settlement of certain claims in connection with monies advanced by the Port Authority for construction of Ebasco's premises and the restructuring of the payback provisions in connection therewith and that the Board authorize the Executive Director to enter into an agreement of lease with Keefe, Bruyette & Woods, Inc. on behalf of the Port Authority covering the letting of the entire 85th floor in Two World Trade Center upon the terms and conditions outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement with Ebasco Services, Inc. providing for the surrender of a portion of Ebasco's premises in the South Tower Building at The World Trade Center consisting of the 85th floor effective on or about February 28, 1984 conditioned upon the letting of said premises to Keefe, Bruyette & Woods, Inc., the said agreement to also provide that the Port Authority in consideration of the surrender of the said premises would issue a credit against Ebasco's other rental obligations in the amount of $400,000 per year, credited in monthly installments commencing July 1, 1984; and providing further that in the event that Keefe, Bruyette & Woods, Inc. does not execute an agreement covering the letting of the 85th floor the proposed surrender of said premises by Ebasco would not be effective but the Port Authority in such event would reimburse Ebasco for its actual relocation costs incurred in connection with the contemplated surrender of its 85th floor premises; the form of the agreement to be subject to the approval of General Counsel or his designated representative; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement with Ebasco Services, Inc. providing for a restructing of Ebasco's obligation to repay certain construction advances in the amount of $1,118,887 made by the Port Authority with the repayment schedule covering such amount to provide for equal payments, including interest in accordance with the provisions of its lease, commencing on July 1, 1983 and in an amount sufficient to amortize such advances over the balance of the term of Ebasco's lease; the said agreement to also provide for the waiver by the Port Authority of approximately $119,500 in interest charges claimed by the Port Authority and the withdrawal of Ebasco's claim for interest in the amount of $135,000; the form of the agreement to be subject to the approval of General Counsel or his designated representative; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement of lease with Keefe, Bruyette & Woods, Inc. covering the letting of the 85th floor of Two World Trade Center for a 15-year term commencing July 1, 1984 with the lessee having the right to extend the term for an additional five-year period, the lessee to pay a basic rental at the annual rate of $40 per rentable square foot during the first 10 years of the term of the letting and a basic rental equal to the fair rental value for the premises but not less than $40 per rentable square foot during the last five years of the term of the letting; and if the lessee elects to extend the term for the additional five-year period, at a basic rental equal to the then-fair rental value but not less than the basic rental payable by the lessee prior to the extension period; the lessee to also pay additional rental for increases in operating costs and in-lieu-of tax payments and for cleaning and electricity consumption; the agreement to also provide for the Port Authority to furnish the lessee with a construction allowance in an amount not to exceed $10 per rentable square foot; the agreement to further provide that the lessee may sublet portions of the premises provided it receives from each subtenant a rental at least equal to the then current rental rates charged by the Port Authority with provision that if such rental rates are in excess of the rental payable by the lessee such excess, after deducting certain specified costs incurred by the lessee in connection with the subleasing plus the sum of $1 per year per rentable square foot of the subleased space, will be payable to the Port Authority; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 2/9/84)

The World Trade Center - Assignment of Lumbermens Mutual Casualty Company Lease to The First Boston Corporation and Relocation of Lumbermens Mutual Casualty Company

It was reported that Lumbermens Mutual Casualty Company currently occupies 58,000 square feet in Five World Trade Center under a lease which commenced July 1, 1977 and expires January 31, 1998 at a current rental rate of approximately $11 per square foot per year. Lumbermens now has space in excess of its needs and has agreed to surrender all its space provided that it receives approximately a 50% share of the additional rental which would accrue from a new tenant during the balance of the term of its lease. Lumbermens has also agreed to lease from Fund for Regional Development at current market rates one floor, approximately 40,000 square feet of space, to be vacated by New York State in Two World Trade Center.

It was further reported that The First Boston Corporation has tentatively agreed to accept an assignment of the Lumbermens' lease or to enter into an agreement providing for the leasing of the Lumbermens' space, until July 31, 2000, the expiration date of its lease for other space in Five World Trade Center. The First Boston agreement would provide for basic rental payments of $34 per rentable square foot per year for years one through five, $37.80 per rentable square foot per year for years six through 10 and $39.70 per rentable square foot per year for the balance of the term; First Boston will also pay for cleaning and electricity; and for escalation for taxes and operating costs in accordance with the provisions in the Lumbermens' lease except that with respect to operating costs the basic wage rate to be utilized will be the wage rate in effect on January 1, 1983. The Port Authority would pay Lumbermens through the balance of the term of the lease, i.e., January 31, 1998, approximately 50% of the additional rent received as the result of the First Boston leasing.

Under Lumbermens' proposed lease with Fund for Regional Development, Lumbermens will relocate to the 53rd floor of Two World Trade Center and will pay a basic annual rental rate per rentable square foot, exclusive of cleaning and electricity, of $30 for years one through five of the term, except that no rental will be payable during the first three months of the term and for the ensuing eight months of the term rental will be at 50% of such rate, $31.50 for years six through 10 of the term and $33 for the balance of the term. The agreement will also contain current escalation provisions covering increases in operating costs and in-lieu-of tax payments. The new Lumbermens' lease will commence when the space is turned over to Lumbermens for reconstruction, which is expected to be about April 1984 and it is anticipated that such reconstruction will require approximately three months. Lumbermens will receive an allowance from the Fund of $15 per rentable square foot for reconstruction of the space and will be required to install an automatic fire protection sprinkler system towards which Fund for Regional Development would contribute the sum of $50,000.

A real estate brokerage commission will be payable to Kenneth D. Laub & Company, Inc. for the Lumbermens' lease at Two World Trade Center at rates no greater than those authorized by the Board, at its meeting on August 11, 1977. Payment of the commission will be deferred until 1986 and will be payable to the broker with interest at the rate of 9½% per year from the time the commission would have normally been paid to the date of payment. The Port Authority will not be responsible for commission payments in connection with The First Boston Corporation transaction.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement on behalf of the Port Authority providing for an assignment of the Lumbermens Mutual Casualty Company lease for 58,000 square feet in Five World Trade Center to The First Boston Corporation or to accept a surrender of the Lumbermens Mutual Casualty Company lease and to enter into a new agreement with The First Boston Corporation covering the leasing of such space and that the Board authorize the Executive Director to enter into an agreement on behalf of the Port Authority covering the leasing by Fund for Regional Development to Lumbermens Mutual Casualty Company of approximately 40,000 square feet of space in Two World Trade Center to be vacated by New York State, on the terms and conditions outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement providing for either an assignment of the Lumbermens Mutual Casualty Company lease covering 58,000 rentable square feet of space at Five World Trade Center to The First Boston Corporation or for the surrender of the Lumbermens Mutual Casualty Company's lease and the execution of a new agreement with The First Boston Corporation; the agreement with Lumbermens to provide that the Port Authority would pay to Lumbermens approximately 50% of the additional rental which would accrue to the Port Authority during the balance of the term of the Lumbermens' lease as the result of the leasing of its space in Five World Trade Center to The First Boston Corporation; the said agreement with The First Boston Corporation to provide for the leasing of such space for a term expiring July 31, 2000 at a basic rental rate of $34 per rentable square foot per year for years one through five, of $37.80 per rentable square foot per year for years six through 10 and at $39.70 per rentable square foot per year for the balance of the term; First Boston Corporation to also pay for cleaning and electricity and for escalation for taxes and operating costs in accordance with the provisions in the Lumbermens' lease except that with respect to operating costs the basic wage rate utilized for escalation would be the wage rate in effect on January 1, 1983; the form of the said agreement or agreements to be subject to the approval of General Counsel or his designated representative; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement between Fund for Regional Development and Lumbermens Mutual Casualty Company providing for the leasing of the 53rd floor of Two World Trade Center to be vacated by the State of New York at a basic annual rental rate per square foot, exclusive of cleaning and electricity of $30 for years one through five of the term, except that no rental will be payable during the first three months of the term and for the ensuing eight months of the term rental will be at 50% of such rate, of $31.50 for years six through 10 of the term and of $33 for the balance of the term through January 31, 1998; the agreement to also provide for the payment of additional rental covering

increases in operating costs and in-lieu-of tax payments at current escalation rates; the said agreement to provide for a term commencing when the space is turned over to Lumbermens for reconstruction which is expected to be about April 1984, with Lumbermens receiving from the Fund an allowance of $15 per rentable square foot covering its reconstruction; Lumbermens to be required to install an automatic fire protection sprinkler system towards which the Fund would contribute the sum of $50,000; with a real estate brokerage commission to be payable to Kenneth D. Laub & Company, Inc. in connection with the Lumbermens' lease at Two World Trade Center at rates no greater than those authorized by the Board, at its meeting on August 11, 1977, with payment of the commission to be deferred until 1986 at which time it will be payable to the broker with interest at the rate of 9½% per year from the time it would have been normally paid to the date of payment; the form of the agreements to be subject to the approval of General Counsel or his designated representative.

(Board - 2/9/84)

Kennedy International Airport - Rehabilitation of Runway 13L-31R - Contract JFK-452 - Award

It was reported that bids were solicited by public advertisement on Contract JFK-452 for the rehabilitation and strengthening of Runway 13L-31R, approach taxiways and an intersecting runway, including paving, drainage and lighting modifications, all at Kennedy International Airport.

A major portion of the work under this contract will be performed during nighttime hours and on weekends so as to minimize interference with aeronautical operations. It was recalled that the Board, at its meeting on August 27, 1980, authorized the Executive Director to establish and implement affirmative action efforts with respect to contracting opportunities. Accordingly, the contract includes a provision that the bidder will use every good faith effort to meet a goal for Minority Business Enterprise (MBE) participation of 10% for firms owned and controlled by minorities and 1% for firms owned and controlled by women.

It was further reported that on January 17, 1984, three bids were received, ranging from a high bid in the estimated total amount of $9,702,000, to a low bid in the estimated total amount of $9,374,000. The low bid was submitted by Anthony Grace & Sons, Inc. and Willets Point Contracting Corp., a joint venture. The bid of Anthony Grace & Sons, Inc. and Willets Point Contracting Corp., a joint venture, was placed before the meeting. The form of contract was approved by General Counsel.

Upon the basis of a careful examination of all the bids and of the qualifications and experience of the bidders, it was recommended that the contract be awarded to Anthony Grace & Sons, Inc. and Willets Point Contracting Corp., a joint venture, which was recommended by the Chief Engineer as qualified. It was further recommended that the Executive Director be authorized to order extra work up to the amount of $940,000 without further Board or Committee approval.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, the Port Authority has invited bids on Contract JFK-452 for the rehabilitation and strengthening of Runway 13L-31R, approach taxiways and an intersecting runway, including paving, drainage and lighting modifications, all at Kennedy International Airport; and

WHEREAS, a major portion of the work under this contract will be performed during nighttime hours and on weekends so as to minimize interference with aeronautical operations; and

WHEREAS, bids on the aforesaid contract were submitted to the Port Authority and were publicly opened and then carefully compared and the qualifications of the bidders carefully investigated; and

(Board - 2/9/84)

WHEREAS, Anthony Grace & Sons, Inc. and Willets Point Contracting Corp., a joint venture, has submitted a bid for the performance of said contract in the total estimated amount of $9,374,000 and the Port Authority is satisfied that said bidder is qualified by reason of responsibility, experience and capacity to perform the contract if it be awarded to it and that the public interest will be best served by accepting the bid of said bidder;

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to accept said bid in the manner provided therein, provided that until the Executive Director shall give formal notice to that effect to the bidder, as provided in the Information for Bidders, this resolution shall not be construed as an acceptance of said bid; and it is further

RESOLVED, that upon acceptance of said bid, the Port Authority staff members designated by title in said contract to exercise certain powers and duties be and they hereby are authorized to exercise said powers and duties and to do all things required or permitted by said contract to be done by them; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to order extra work up to the amount of $940,000 without further Board or Committee approval; and it is further

RESOLVED, that the Secretary be and she hereby is directed to file in and as part of her official records the bid on said contract and the duplicate original of the acceptance thereof.

(Board - 2/9/84)

Kennedy International Airport - Lease of 1.4 Acre Site to Prosecurity, Inc.

It was reported that negotiations have been substantially completed with Prosecurity, Inc. for a lease agreement for a term of 10 years plus a period for construction not to exceed 12 months to be effective on or about April 1, 1984 for a site of approximately 1.4 acres at Kennedy International Airport, upon which site Prosecurity shall construct at its expense a high-security cargo storage facility of approximately 5,000 square feet to be used for the temporary storage of high-value cargo transported by air.

Prosecurity, Inc. is a New York-based Delaware corporation whose principal business is the ground transportation of high-value cargo shipped via various scheduled international airlines. The principals of the company include members of the Juncadella Group which consists of several South American-based security companies involved in the transportation of high-value shipments within South America and between South America and the United States. Prosecurity, Inc. represents an extension of the Juncadella operation to the United States enabling the group to offer door-to-door service to their customers.

In order to provide the high level of security demanded by its customers, Prosecurity proposes to construct a high-security cargo storage facility at an estimated cost of $500,000 on a 1.4 acre site in the cargo area at Kennedy International Airport. The facility to be constructed by Prosecurity will include a vault, alarms, sensors and will be designed to permit an armored car to be driven within the confines of the building prior to loading or unloading. The facility will be utilized by Prosecurity for the short-term storage of precious metals, currency and other high-value items shipped by air and awaiting delivery to an aircraft or delivery to an ultimate destination off-airport.

The proposed lease term will provide Prosecurity with an adequate period for the amortization of its investment. The cost of construction, as well as the operation, maintenance and insurance of the facility will be the responsibility of Prosecurity. Prosecurity will be required to purchase water and electricity from the Port Authority. Annual rental to the Port Authority during the term of the lease shall be $25,200 effective on commencement of the lease and $30,800 effective on a date five years from completion of construction or six years from the effective date of the lease, whichever occurs sooner.

It was therefore recommended that the Board authorize the Executive Director for and on behalf of the Port Authority to enter into a lease agreement with Prosecurity, Inc., all in accordance with the foregoing.

(Board - 2/9/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a lease agreement with Prosecurity, Inc. at Kennedy International Airport for a term of 10 years plus a period for construction not to exceed 12 months to be effective on or about April 1, 1984 for a site of approximately 1.4 acres at an annual rental of $25,200 effective on the commencement of the lease and $30,800 effective on a date five years from completion of construction or six years from the effective date of the lease, whichever occurs sooner, upon which site Prosecurity shall construct at its expense a high-security cargo storage facility of approximately 5,000 square feet at an estimated cost of $500,000 to be used for the temporary storage of high-value cargo transported by air, with the cost of construction, as well as the operation, maintenance and insurance of the facility to be the responsibility of Prosecurity; Prosecurity to be required to purchase water and electricity from the Port Authority and to pay a security deposit; the form of said lease agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 2/9/84)

Newark International Airport - North Terminal - People Express Airlines, Inc. - ANA-093 - New Lease and Surrender of Existing Lease - AN-997

It was recalled that the Board, at its meeting on April 29, 1981, authorized the existing lease (lease AN-997) with People Express Airlines, Inc. at Newark International Airport for a term of approximately 10 years to cover its exclusive premises in the North Passenger Terminal ("the North Terminal") and its non-exclusive right to use aircraft gate positions and other common areas and facilities at the Terminal. The existing lease provides that People Express' payment for its exclusive first floor space and its non-exclusive right to use aircraft gate positions and common areas would be at the daily rates in effect for the North Terminal as set forth in the Schedule of Charges for Air Terminals, subject to annual maximum and minimum Terminal use fees, with an annual maximum Terminal use fee of $3 million for 1982 and, for 1983, a maximum Terminal use fee of $3.5 million with a minimum of $2 million; and with a maximum Terminal use fee for 1990 (the last full calendar year under the existing lease) of $7 million. In addition, the existing lease calls for payments of annual rental rates for exclusive space of $6.50 per square foot for the first five years of the term and $8 per square foot for the second five years of the term as well as the payment of flight fees and fuel gallonage fees in accordance with Schedules C and D of the Airlines Master Leases and fees for the optional use of the North Terminal security screening equipment at prevailing rates. People Express has been operating at the North Terminal under the existing lease which was fully executed in 1981.

In less than three years, People Express' operations at Newark International Airport have progressed at a remarkable rate to the point where it is the largest carrier at the Airport, based on the number of passengers carried, requiring the use of major portions of the North Terminal. In order to accommodate this major expanded occupancy and to permit People Express to continue to use the airport as its hub and home base, it is deemed advisable to enter into a new lease with People Express which would contain a new rental fee structure as well as a leasing to People Express of its own exclusive aircraft gate positions at the North Terminal. Aviation staff projects that the revenues to the Port Authority under the rental fee structure of the new lease will be greater than those that would be receivable under the existing lease. Negotiations have now been substantially completed with People Express whereby People Express will surrender its existing lease to the Port Authority effective December 31, 1982 and whereby the Port Authority and People Express will enter into the said new lease, effective January 1, 1983, which would contain rentals and fees as follows:

(Board - 2/9/84)

I. Base Annual Rental

The Base Annual Rental payable by People Express under the new lease would consist of a fixed amount (the constant factor) and a variable amount (the Airport Services factor). This rental which covers use of terminal areas, exclusive aircraft gates, ramp and maneuvering areas both common and exclusive, is designed to provide an acceptable return to the Port Authority based on its relative value in today's market with periodic increases over the term of the new lease as follows:

Portion of the Term	Number of People Express' Exclusive Gates	Base Annual Rental - the Constant Factor
Jan. 1, 1983-June 30, 1983	9	$ 517,093
July 1, 1983-Nov. 30, 1983	14	804,367
Dec. 1, 1983-Dec. 31, 1984	19	1,091,641
Jan. 1, 1985-Dec. 31, 1986	19	1,223,045
Jan. 1, 1987-Dec. 31, 1988	19	1,354,449
Jan. 1, 1989-Apr. 30, 1991	19	1,479,283

The Base Annual Rental would apply to (a) non-exclusive terminal areas and (b) each exclusive aircraft gate with associated ramp and maneuvering area leased to People Express both in proportion to the number of gates leased by People Express out of a maximum of 22 gates and taking into consideration space actually occupied and the age of the North Terminal. Rentals on other exclusive terminal areas are already being paid at the approved annual rates and will continue at those rates.

The Airport Services Factor of the Base Annual Rental represents the allocation to the North Terminal of its proportionate share of the charges for the total Airport non-revenue producing systems, services and facilities, as set forth in Schedule A of the new lease, which is essentially the same formula contained in the Airport Master Lease, and is subject to annual adjustment. The North Terminal's proportionate share of said charges results in a tentative Airport Services Factor for 1983 of $18,542 per gate.

II. Facility Charges

These charges are designed to recover the pro rata share of the Port Authority's costs associated with its providing, operating and maintaining the North Terminal facility plus Port Authority overrides, including charges for capital improvements. The Port Authority will continue to operate, maintain and repair the North Terminal. The facility charges payable by People Express will constitute its pro rata share of the said North Terminal costs and are to be determined in accordance with the formula to be set forth in the new lease. Said charges will be paid monthly based on estimated amounts and adjusted annually.

(Board - 2/9/84)

The minimum annual amounts as expressed in the existing lease which are $2 million for 1983, $2.5 million for 1984, $3 million per year for the years 1985 through 1990 and $1 million for the period January 1, 1991 to April 30, 1991 will continue in effect as an obligation of People Express and will apply to the Base Annual Rental, the facility charges and the prevailing rates under the Schedule of Charges. The daily rates in effect under the Schedule of Charges will continue to apply to the use of the non-exclusive gates at the North Terminal. In addition, the flight fees, fuel gallonage fees, fees for the option use of the security screening equipment, and the rental rates for specified exclusive office space as called for under the existing lease, will continue under the new lease.

During 1983 additional arcade areas and gates were rehabilitated and opened to accommodate People Express' burgeoning passenger operation. The North Terminal was expanded from 15 gates to a maximum of 22, with 19 gates intended for People Express' exclusive use under the new lease and with three gates being retained by the Port Authority for common use. During this transition period, People Express gradually expanded its operations as gates became available for use and a payment of $325,000 for the year 1983 has been agreed upon to cover People Express' fees for its use of non-exclusive gates. This amount is based on the application of the current Schedule of Charges rate at $1 per passenger as applied to 52,538 international passengers and an estimated 272,462 domestic passengers for a total of $325,000.

In order to rehabilitate and increase the rentable areas of the North Terminal on an expedited basis and at a schedule satisfactory to People Express, certain major improvements that a landlord might do if it entered into a normal multiple occupancy agreement were included in People Express' construction contracts and covered by the new lease as items to be performed by People Express at its expense. Discussions are still in progress in connection with People Express' possible request for reimbursement for those items which it considers to be the responsibility of the landlord under this arrangement. Board authorization will be requested if in fact these discussions result in a tentative agreement for the Port Authority to assume responsibility for any portion of the costs of those improvements.

It is recommended that the Board authorize the Executive Director for and on behalf of the Port Authority (a) to enter into a new lease with People Express Airlines, Inc. for a term commencing as of January 1, 1983 and expiring April 30, 1991 covering exclusive premises and the non-exclusive right to use common facilities at the North Terminal at Newark International Airport; (b) to accept an agreed-upon amount of $325,000 from People Express as and for the fees payable by it for the year 1983 for the use of non-exclusive gates at the North Terminal; and (c) to enter into a surrender agreement with People Express covering the surrender of its existing lease AN-997 effective as of December 31, 1982, all in accordance with the foregoing.

(Board - 2/9/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a new agreement of lease with People Express Airlines, Inc. providing for operations at Newark International Airport out of the North Passenger Terminal for a term commencing January 1, 1983 and expiring April 30, 1991, said lease to cover exclusive premises at the North Terminal including exclusive aircraft gate positions, and the non-exclusive right to use common facilities and gates at the North Terminal, with the said new lease to contain a rental fee structure under which People Express would pay a Base Annual Rental covering its use of North Terminal areas, exclusive aircraft gates, ramp and maneuvering areas both exclusive and common, with said rental consisting of a constant factor, and a variable amount (the Airport Services Factor) subject to annual adjustment, the said constant factor to commence at $517,093 per year for the portion of the term from January 1, 1983 through June 30, 1983, and increased as follows: $804,367 per year for the portion of the term from July 1, 1983 through November 30, 1983, $1,091,641 per year from December 1, 1983 through December 31, 1984, $1,223,045 per year from January 1, 1985 through December 31, 1986, $1,354,449 per year from January 1, 1987 through December 31, 1988, and $1,479,283 per year from January 1, 1989 through April 30, 1991, with People Express to also pay as facility charges its pro rata share of the Port Authority's costs associated with providing, operating and maintaining the North Terminal (including exclusive and non-exclusive areas and gates) including Port Authority over-rides and charges for capital improvements, with said facility charges to be computed in accordance with the formula set forth in the new lease, with the annual minimum Terminal use amounts as set forth in the existing lease (AN-997) to continue to apply as an obligation of People Express as follows: $2 million for 1983, $2.5 million for 1984, $3 million per year for the years 1985 through 1990, and $1 million for the portion of the term from January 1, 1991, to April 30, 1991, the said minimum amounts to apply to the Base Annual Rental, the facility charges and the fees under the Schedule of Charges, with People Express to continue to pay flight fees, fuel gallonage fees, annual rental rates on specified exclusive Terminal space, and fees for the optional use of security screening equipment in the Terminal as set forth in its existing lease (AN-997), and with People Express to pay the prevailing rates for the North Terminal in accordance with the Schedule of Charges for its use of the non-exclusive gates at the Terminal; and it is further

(Board - 2/9/84)

RESOLVED, that the Executive Director be and he hereby is authorized to accept an agreed-upon amount of $325,000 from People Express Airlines, Inc. as and for its payment of the fees for the year 1983 for its use of non-exclusive gates at the North Terminal; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to enter into an agreement with People Express Airlines, Inc. accepting its surrender of its existing lease (AN-997) effective as of December 31, 1982; and it is further

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

(Board - 2/9/84)

Award of Medal of Honor to Police Officer James Sage

It was recommended that the Medal of Honor be awarded to Police Officer James Sage.

The Port Authority Medal of Honor, under Board Resolution of March 2, 1944, as amended, is to be awarded to an individual who, in performing a specific act, demonstrated extraordinary bravery in the face of circumstances which would surely to have led to grave personal injury or his own death should the slightest miscalculation have occurred.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944 as amended, the Port Authority Medal of Honor award was established, which award is to be given to a Port Authority employee for the performance of outstanding service; and

WHEREAS, in the case of Police Officer James Sage it is recommended that the Port Authority Medal of Honor award be given on the following grounds:

At 1:30 a.m. in the morning of January 14, 1983, two police officers were operating radar on the New Jersey side of the Goethals Bridge when they observed a Linden, New Jersey police vehicle in pursuit of a 1967 black Chevrolet. As the Port Authority police officers joined the pursuit, Police Officer James Sage, on duty in a marked police car, overheard their transmission and drove to a point where he might intercept the fleeing car.

A few moments after receiving the alert, Officer Sage observed a vehicle matching the description of the fleeing car speed by his position and the lights of the Linden police car approximately one-half mile behind and in pursuit. He accelerated his vehilce directly behind the fleeing auto and proceeded to give chase into Staten Island along eastbound Highway 278. With Officer Sage directly behind, the fleeing auto veered off the highway at the Bradley Avenue exit, sped down the service road and made a right turn onto Melba Street. At the intersection of Melba and Harold Streets, the fleeing auto suddenly swerved out of control, spun around and came to a halt facing the oncoming Port Authority police car.

As the car came to a halt, an occupant leaped from it, ran to the front passenger door of Officer Sage's police car and opened it, thrust in a weapon and fired a volley of shots toward the policeman. Officer Sage instinctively threw open the driver's door, flung himself out on the ground and rolled away. Once he secured cover, he was able to return his attacker's gunfire. Meanwhile, the Linden police vehicle reached the scene, but as the Linden police officer left his car and attempted to reach Officer Sage's position, he was shot in the cheek by the suspect. However, he too returned the gunfire from a secure position and the wounded suspect fell to the ground.

(Board - 2/9/84)

As the gunfight raged, a second suspect still in the car reached for a weapon under the seat of the subject vehicle. However, Officer Sage saw the suspect and reacted by grabbing him and wrestling him to the ground. Realizing the opportunity presented by the Officer's distraction, the first suspect, though wounded, began to crawl toward the fallen weapon. He, too, was seen by Officer Sage who subdued him and secured the gun. By this time, the officers were joined by a New York City police vehicle as well as other police units which had responded to the scene. Both suspects were placed under arrest.

The subsequent investigation yielded two nine shot standard .22 caliber revolvers at the scene and the fact that the two suspects were wanted by the Linden police for armed robbery of the Post Road Inn Motel on Route 1 in Woodbridge, where two shots had been fired. Officer Sage was admitted to the hospital for treatment of severe shock and heart palpitations, while the Linden officer was admitted for treatment of a gunshot wound.

The decisive actions of Police Officer James Sage were instrumental in bringing a highly dangerous situation to a conclusion. Though confronted by imminent death, Officer Sage demonstrated the professionalism and resourcefulness to use his weapon only as a last resort, resulting in the arrest of two armed and dangerous suspects.

For his extraordinary bravery and selfless actions in the face of grave danger in effecting the arrest of two armed and dangerous suspects, it is recommended that the Medal of Honor be awarded to Police Officer James Sage.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Medal of Honor to Police Officer James Sage for the performance of outstanding service.

(Board - 2/9/84)

Meritorious Service Award of Police Commendation Medal to Police Officer Paul Guida

It was recommended that the Police Commendation Medal be awarded to Police Officer Paul Guida.

The Police Commendation Medal under the Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed outstanding service or has shown exceptionally meritorious performance in the duty assigned to him.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Police Commendation Medal is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Police Officer Paul Guida it is recommended that the Police Commendation Medal award be given on the following grounds:

Police Officer Paul Guida, in an undercover role, was introduced to a suspected dealer of merchandise stolen from Kennedy International Airport. Officer Guida jeopardized his well-being when he infiltrated the fencing operation dealing in stolen air cargo shipments. In the course of approximately four weeks, Officer Guida gained the confidence of the leaders of the fencing operation through a series of transactions involving allegedly stolen merchandise and loaded guns.

Officer Guida's innate street wisdom and resourcefulness succeeded in allowing the Criminal Investigations Bureau to effect several important arrests and to shut down what the newspapers would describe as a "virtual 24-hour depot for stolen merchandise."

Officer Guida placed himself in personal jeopardy with each transaction, knowing that the fence was dealing in loaded guns and allegedly had organized crime connections. Additionally, it was feared that Officer Guida's cover might be blown by a junkie informant, who was wanted by the Port Authority police at Kennedy International Airport, and who was resorting to desperate measures to avoid apprehension.

Despite the inherent danger in this undercover assignment and the implied threats made by the fence, Officer Guida willingly placed his trust in his back-up teams and superbly brought the investigation of this fencing operation to a swift and safe conclusion.

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As a direct result of Officer Guida's performance throughout this investigation, six individuals were arrested on various charges related to the buying and selling of merchandise and illicit firearms. Additional firearms, a quantity of alleged narcotics, and cartons of merchandise believed to be cargo stolen from Kennedy International Airport were recovered.

Officer Guida's excellent police work in this case reflects most favorably upon the Criminal Investigations Bureau and ultimately upon the entire Port Authority Police Force.

In recognition of his outstanding courage and dedication to duty as demonstrated throughout the one-month period of his dangerous undercover role and for his superb police work in bringing to justice a dealer in weapons and stolen merchandise, it is recommended that the Police Commendation Medal be awarded to Police Officer Paul Guida.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Police Commendation Medal to Police Officer Paul Guida.

(Board - 2/9/84)

Meritorious Service Award of Commendation Medal to Thomas J. Miller

It was recommended that the Commendation Medal be awarded to Thomas J. Miller.

The Commendation Medal under the Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed outstanding service or has shown exceptionally meritorious performance in the duty assigned to him.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Commendation Medal is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Thomas J. Miller it is recommended that the Commendation Medal award be given on the following grounds:

At approximately 7 o'clock in the morning on August 21, 1983, on the New York side of the George Washington Bridge, Facility Operations Agent Thomas J. Miller was assisting a disabled vehicle in the upper expressway westbound when he observed a passenger vehicle in the lower expressway westbound moving erratically at a high rate of speed. As he watched, the vehicle spun out of control turning around several times and coming to a halt when it hit the north wall under the GWB Bus Station. Advising the patrons he was assisting to stay at their car, Mr. Miller went to his vehicle and called in, reporting the accident via facility radio and adding that flames were visible.

Mr. Miller moved his vehicle as close as possible to the site of the now burning car. He took a dry powder extinguisher and reached the patron's vehicle by jumping over the divider between the two expressways and crossing two active roadways. By this time, the flames had intensified because of a ruptured gas tank.

Opening the door on the driver's side, Mr. Miller shook the driver who had fallen asleep, waking him and pulling him from the car. The driver came awake with a start and, as he got out of the car, turned to Mr. Miller and said that there were flammable liquids in the rear seat of the vehicle which could explode.

Working as rapidly as possible, and in spite of personal danger, Mr. Miller got the fire under control with the extinguisher. His quick action prevented the explosion of the flammables until arrival of the George Washington Bridge Fire Engine, which fully extinguished the fire.

(Board - 2/9/84)

For his timely, courageous and decisive actions, even when he was advised that the fire site was in danger from possible explosion of highly volatile liquids, and for his complete and total dedication to duty and the safety of another human being, it is recommended that the Commendation Medal be awarded to Facility Operations Agent Thomas J. Miller.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Commendation Medal to Thomas J. Miller.

(Board - 2/9/84)

Meritorious Service Award of Commendation Medal to Edwin Swanston

It was recommended that the Commendation Medal be awarded to Edwin Swanston.

The Commendation Medal under the Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed outstanding service or has shown exceptionally meritorious performance in the duty assigned to him.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Commendation Medal is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Edwin Swanston it is recommended that the Commendation Medal award be given on the following grounds:

Edwin Swantson, a Junior Operations Supervisor at the Port Authority Bus Terminal, was on the Lower Bus Level of the South Wing walking with two patron aides in the direction of the terminal's Information Center at about 3:30 in the afternoon of September 23, 1983. Suddenly he heard someone shout "Stop that man!" A man appeared out of the crowd running towards them. Without hesitation and with no thought of his own safety, Mr. Swanston moved quickly, tackling the man and bringing him to the floor.

The man struggled to free himself from Mr. Swanston's grasp but Mr. Swanston held fast. With assistance from the two patron aides and passing patrons, Mr. Swanston held the man until two Port Authority police officers, summoned by other patrons, arrived and placed the man in custody. He was taken to the Police Desk and placed under arrest. It was later learned that the man had reached into a woman's pocketbook at a bus gate, snatched cash and attempted to escape on foot when Mr. Swanston grabbed him.

(Board - 2/9/84)

Edwin Swanston is a man who takes his job of service to the public very seriously. In his daily routine as a Junior Operations Supervisor he is responsible for a variety of day-to-day functions necessary to the efficient operation of the world's most active Bus Terminal. He works closely with the Patron Aides assigned to the Bus Terminal. He developed a team concept plan to motivate and encourage the staff of the Bus Terminal Information Center to offset boredom that grows in routine work. But on that September afternoon Mr. Swanston's actions were clearly above and beyond that which we call routine duty.

In a day and age when it has become common practice to turn away and not get involved, Mr. Swanston chose not to be passive to an offense against a fellow human being. He acted decisively, putting his personal safety aside. The felon might have been armed. Mr. Swanston, in the split second he had to react, had no way of knowing one way or the other. His actions were completely selfless. Although the amount of money stolen and recovered was only six dollars, people have been killed for lesser sums.

For his display of courage and concern, for his unhesitating actions in the face of potential danger, it is recommended that the Commendation Medal be awarded to Edwin Swanston.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Commendation Medal to Edwin Swanston.

(Board - 2/9/84)

Award of Distinguished Service Medal to Francis Abernethy

It was recommended that the Distinguished Service Medal be awarded to Francis Abernethy.

The Distinguished Service Medal under Board Resolution of March 2, 1944 as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Francis Abernethy it is recommended that the Distinguished Service Medal award be given on the following grounds:

Francis Abernethy began his service with the old Hudson & Manhattan Railroad as a guard in 1957 and continued his service after 1962 when the Port Authority took over the rail system and it became the Port Authority Trans-Hudson Corporation. He advanced through a series of promotions to his present position of Motorman. For over twenty-six years, Mr. Abernethy has compiled an outstanding performance record. In all of his years in operating service, both as a Conductor and Motorman, Mr. Abernethy has performed his job flawlessly and his record is without any operating violations or disciplinary proceedings. That extraordinary; more than a quarter of a century without a single blemish. Furthermore, on September 30, 1983, Mr. Abernethy was one of 12 PATH employees who were honored at a luncheon for achieving 10 consecutive years of perfect attendance. His perfect attendance is just on aspect of the truly extraordinary performance record of Motorman Abernethy.

Mr. Abernethy has always been concerned with the needs of the traveling public and, in addition to his excellent performance, he consistently demonstrates his care and concern for PATH passengers. Recently one of PATH's regular riders, who commutes from Hoboken to The World Trade Center during the morning rush hour, wrote a letter commenting on Mr. Abernethy's performance. The letter states in part: "A brief note to let you know how much I appreciate the cordiality and engineering professionalism of Frank who operates the morning PATH trains between Hoboken and The World Trade Center. He always greets me with a smile. More important he handles his train beautifully. You should be proud to have men of his caliber in your employ." This letter is truly indicative of the courtesy that Mr. Abernethy exhibits toward his passengers. He also displays this same cooperative and considerate manner in dealing with his peers and superiors throughout the PATH system. He is reliable and can be depended on to be on his job everyday and to do that job with pride and a degree of excellence that is an example to all. It is employees such as Frank Abernethy who enable PATH to maintain the high standards of excellence in providing service to PATH patrons, standards that form the keystone of this vital transportation network.

(Board - 2/9/84)

For more than a quarter-century of high-level performance and dedication to excellence in providing service to PATH patrons, it is recommended that the Distinguished Service Medal be awarded to Frank Abernethy.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Francis Abernethy for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Robert F. Bennett

It was recommended that the Distinguished Service Medal be awarded to Robert F. Bennett.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Robert F. Bennett it is recommended that the Distinguished Service Medal award be given on the following grounds:

Those who know Robert F. Bennett are aware of his tenacious talent for reaching accord no matter how difficult the task or divergent the views. His ability to negotiate and bring two or more opposing sides together because of his vast knowledge, leadership capabilities, honesty and fairness, has become legend. Throughout his 33-year career with the Port Authority, Mr. Bennett has demonstrated these characteristics and proven himself to be an insatiable worker, an excellent administrator, a just negotiator and a problem-solver without peer.

Mr. Bennett began his career with the Port Authority in 1950 at the New York Truck Terminal as a Bookkeeping Machine Operator. Through dedication and plain hard work he advanced through a variety of clerical positions, accountant-level positions and, in 1960, was named Financial Accounting Supervisor.

Two years later, when the Port Authority acquired PATH, Mr. Bennett was chosen to serve as Manager of Railroad Accounting. This was a monumental task because it involved putting PATH's fiscal house in order and breathing life into the chaotic accounting system that was the bankrupt Hudson & Manhattan's legacy to its new Port Authority owners and operators. In this post he was required to supervise a staff totally foreign to him and Port Authority procedures and operations in existing accounting and treasury departments. He gained their trust and confidence, taught them our procedures, learned theirs, melded them together into a workable system and assimilated the staff and their functions into the correct Port Authority units. Not only did Mr. Bennett accomplish this feat in five short months, but he also learned the Interstate Commerce Commission's (ICC) accounting procedures for electric railroads and he made the transition for all involved as smooth as possible.

(Board - 2/9/84)

After serving from 1962 through 1964 as Assistant General Auditor, Mr. Bennett was named Manager of the Project Cost Review Division. The Division was created to monitor and review Port Authority projects and their finances. In this position for one-and-a-half years, Mr. Bennett kept a weather eye on such major projects as The World Trade Center, the Bus Terminal expansion and renovation and construction projects at the airports. As a result of Mr. Bennett's careful monitoring, there were no budgetary surprises concerning these projects.

From 1966 until 1973, Mr. Bennett served first, as Assistant to the Director of Finance and then, as Assistant Director of Finance. In 1973 then Executive Director, A. Gerdes Kuhbach, selected Mr. Bennett as his Special Assistant.

During his tenure as Special Assistant to the Executive Director, Mr. Bennett was assigned the task of negotiating with our Police unions as labor talks between them and management had broken down. Within two and one half months, Mr. Bennett had taken control of the situation so effectively that both sides looked to him for leadership. With the help of Bob Bennett, a memorandum of agreement was produced and it has successfully served as the foundation for future contracts. As a matter of fact, the Police Division eventually came to be placed under his direct supervision.

Mr. Bennett was named Comptroller in 1975, a post he held until 1979 when he was named to his current position of Assistant Executive Director. Mr. Bennett has been especially effective in this position in terms of community and governmental relations. He recently renegotiated airport leases with New York City and is currently working toward similar agreements with Newark. Mr. Bennett was also instrumental in negotiating with both private corporations and governmental entities involved with The Teleport.

Over the years Mr. Bennett has been chosen to handle some of the most difficult and sensitive assignments in the Port Authority. He has shrunk from none of them. Each time he has carried out an assignment, he has done so with a thoroughness and an energy which have become his trademark and have led to the eventual resolution of every problem he has tackled.

For his outstanding service to the Port Authority, in particular for the many times he has reconciled differences between opposing factions and for his dedication to the organization, the people and those it serves, it is recommended that the Distinguished Service Medal be awarded to Robert F. Bennett.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Robert F. Bennett for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Thomas J. Coffey

It was recommended that the Distinguished Service Medal be awarded to Thomas J. Coffey.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Thomas J. Coffey it is recommended that the Distinguished Service Medal award be given on the following grounds:

Thomas J. Coffey was appointed to the Port Authority Police Force as a Police Officer in August 1946. He was subsequently promoted to Sergeant in 1951, to Lieutenant in 1956, to Captain in 1962 and to Deputy Inspector, his present rank, in 1972. He has been assigned to all three major airports, the Port Authority Bus Terminal, the George Washington Bridge and the Police Division.

In 1958, assigned to the George Washington Bridge as a Lieutenant, Tom Coffey researched, developed and instituted a training program for the Emergency Garage officers. With the advent of the Facility Operations Agents at the tunnels in 1973, he was involved in the development of training programs for the FOAs, who replaced the Police Officers in the Emergency Garage functions at the tunnel and bridge facilities.

Deputy Inspector Coffey has consistently been involved in the research and development of functional specifications for new airport crash vehicles and had a major role in the development of the "Area Concept" for airport crash fire fighting. This concept resulted in the establishment of standards for crash vehicle capacities and capabilities which were adopted by the National Fire Protection Association in 1968 and which subsequently formed the basis for the United States position in developing the worldwide standard currently in effect. In 1973, the Federal Aviation Administration developed similar standards as mandatory requirements for all airports in the United States as a prerequisite for certification.

(Board - 2/9/84)

Deputy Inspector Coffey's work in introducing the "Simulator" to the training program of the airport fire fighting classes is yet another example of Deputy Inspector Coffey's innovative thinking. During the years of gasoline shortages and the recognition of a need to control environmental pollution, it was decided that large "Hot Fires", used as training devices for our police personnel and which consumed large quantities of fuel and produced great volumes of smoke, should be eliminated. The Simulator reduced the undesirable aspects of the larger type fires but still adequately enabled the airport firefighter to receive valuable fire training under controlled conditions and it is still being used today in conjunction with hot fire drills.

Deputy Inspector Coffey has demonstrated his willingness to share his knowledge and to interact with other agencies to improve preparedness capabilities in the field of emergency services. When the United States Coast Guard contacted the Port Authority for assistance in training Coast Guardsmen in fire fighting techniques, his knowledge and expertise in these skills earned him the assignment. He coordianted the program for both agencies, making significant recommendations which were later implemented.

Deputy Inspector Coffey was often summoned to the scene of an emergency situation for his assistance and professional evaluation. Quite often, he personally directed the critical operations. He has served as a technical advisor for the modification of equipment to allow emergency crewmen to operate at peak efficiency. His input has helped reduce the number of accidents and keep damage to equipment and personal injuries to a minimum, thereby contributing to the Port Authority's image as a responsible, safe and reliable agency.

On September 1, 1982, the first Regional Port Authority Police Command came into being, consisting of the Newark International Airport Police Unit and the Marine Terminals Police Unit. Deputy Inspector Thomas Coffey was named to head this new command. Needless to say, the new Regional concept has operated smoothly, due largely to the efforts of Deputy Inspector Coffey in coordinating the day-to-day operating requirements.

Throughout his 37 years with the Police Division, Deputy Inspector Coffey, has consistently and most effectively demonstrated his dedication and loyalty to the highest traditions of an honorable police service. His considerable accomplishments in the field of emergency services have contributed to the excellent record of safety at our facilities and the skills of those who maintain it. Through his work in emergency services, he has developed valuable and meaningful relationships with other organizations. In addition, he has further enlarged and enhanced the reputation the Port Authority enjoys in the field of public service.

For his long and dedicated service over a career of 37 years, for his many achievements and accomplishments, particularly in the field of emergency services, and for his contributions to the safety and well-being of our patrons, it is recommended that the Distinguished Service Medal be awarded to Deputy Police Inspector Thomas J. Coffey.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Thomas J. Coffey for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Marie C. Jones

It was recommended that the Distinguished Service Medal be awarded to Marie C. Jones.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Marie C. Jones it is recommended that the Distinguished Service Medal award be given on the following grounds:

Marie C. Jones began her Port Authority career as a member of the first civilian toll collector class in September 1962. Ten months later a pattern of consistent advancement in responsibility and recognition for competence became evident with her promotion to Supervising Toll Collector.

Marie was always ready to assume greater responsibilities and to increase her skills by accepting assignments in another unit or another department. Having reached the level of Assistant Chief Tolls Supervisor at the Holland Tunnel in May 1967, she was selected for assignment to the General Manager's office to provide operational expertise in the central tolls administration function which coordinated and assisted the four Tunnels and Bridges Tolls Units. Marie's excellent performance in this key staff position led to a five-month mobility assignment in the Operating Personnel Division of the Personnel Department where she performed various management duties including interviews, placement, job classification and other tasks related to the staffing of the organization. Her assignment there concluded when she was selected to return to the Tunnels & Bridges Department as Chief Tolls Supervisor at the Holland Tunnel. At that time this level was the highest facility management position in the Tolls Unit.

To prepare herself for whatever opportunities might offer themselves, she attended St. Peter's College in the evenings for six years, and was awarded a Bachelor of Science degree in Business Management in May 1974. Marie feels one of the brightest moments of her career came the day then Commissioner Yanitelli, who was also the President of St. Peter's College, presented her degree to her in lane 14 at the Holland Tunnel.

As her career developed she was able to make excellent use of her experience and education. The civilian program was extended in 1973 to cover the tunnel catwalk posts and the emergency garages. As a result the Facility Operations Agent position came into being and with it profound changes began to take place in the nature of the duties which would fall within Ms. Jones' scope of responsibility.

In November 1977, the Facility Operations functions were combined with the Toll Collection function and the Patron Services Unit was born. Ms. Jones was in the first group selected for the highest field supervisory position in the new Unit – General Patron Services Supervisor. She hardly had time to complete initial training when she was selected as the Unit Head for the new Patron Services Unit at the Holland Tunnel. As Supervisor of Tunnel and Bridge Operations, Marie performed in her usual outstanding, totally committed, highly effective style and was one of the essential elements in establishing a successful Patron Services program. Once again success prevented her from settling down and enjoying the results of her efforts. The Patron Services Unit which was a great success at the two tunnels, was extended to the George Washington Bridge. Ms. Jones was invited to head this new unit at the Bridge and as always she readily accepted the new enlarged challenge and its attendant responsibilities. During her three years of outstanding leadership of the George Washington Bridge unit with its 190 people. Ms. Jones has supervised the Patron Services function through changes which included a completely new main plaza and a lower level repaving contract carried out while the main plaza was being constructed without any interruption to normal service. Her "incidental duties" now also include handling the operations function of the George Washington Bridge Bus Station.

Ms. Jones is the consummate professional. With unflagging energy, and competence she has accepted and carried out with the highest degree of success a long series of increasingly responsible assignments. She is respected by subordinates, peers and management alike. She has never sought her own advancement but has always concentrated completely on doing the best possible job at whatever tasks she turned to or was asked to do. Her loyalties and concerns have always been clear cut and apparent: her people were entitled to the best management she could give them.

In recognition of a career that has been distinguished by its service to others, characterized by competence and capability and that has never said "no" to challenge, it is recommended that the Distinguished Service Medal be awarded to Marie C. Jones.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Marie C. Jones for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Carl Kleeberg

It was recommended that the Distinguished Service Medal be awarded to Carl Kleeberg.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Carl Kleeberg it is recommended that the Distinguished Service Medal award be given on the following grounds:

Carl Kleeberg's career, beginning in 1947, is a mirror image of the Port Authority's incredible development over those 36 years. He began in the Mailroom as a messenger and within six months moved to the Food Services Division where he eventually filled the role of Acting Assistant Manager before going to the Special Services Division, which was to become his Port Authority home base from then on. Except for those initial formative five years, Mr. Kleeberg's career has been dedicated to promoting the objectives of our Special Services unit:devising and running special events to enhance our public relations effort and developing programs to familiarize official visitors with our mission. Mr. Kleeberg was promoted from Special Services Representative to Senior Special Services Representative and in 1967 to Supervisor.

A list of the projects to which he has contributed his own special skills would include every major event since the Port Authority assumed responsibility for Idlewild, now Kennedy International Airport, in 1948, the beginning of our era of greatest expansion. At Kennedy he helped plan and carry out every public ceremony from official openings of hangars, the air cargo center, the International Hotel, the Federal Building, the International Arrivals Building and the Control Tower to the rededication of the International Arrivals Building 25 years later. At Newark International and LaGuardia Airports he helped run public ceremonies opening, among others, the Terminal Buildings and Control Towers, and was his units' lead in coordinating the many programs for Newark's 15th anniversary celebration.

At the tunnels, bridges and terminals Mr. Kleeberg has been part of every milestone celebration: the Lincoln Tunnel third tube, the George Washington Bridge lower level, the Bus Terminal and Bus Station, and all the recent half-century observances. On both sides of the harbor, he left his mark in preparing the dedication ceremonies for every major terminal and pier. For The World Trade Center, Mr. Kleeberg provided both front-line and back-up contracts for our sales missions around the world. He was Special Services' top supervisor in the massive planning for the dedication ceremony 10 years ago, coordinating an event of amazing complexity involving thousands.

Every major PATH ceremony bears the stamp of Mr. Kleeberg's labor-of-love, from the first press preview of the new PATH car and the dedication proceedings at Journal Square, to the always enjoyable car-naming ceremonies at which public officials of towns whose travelers use PATH, affix their communities name plaques to heretofore unnamed cars.

Another extensive list of Carl's professional achievements could be presented to demonstrate his work in shaping and guiding most of the principal conventions and conferences the Port Authority has been involved in these past several decades, right up to the recent American Society for Personnel Management, the American Society for Public Administration and the American Association of Airport Executives, all of which held conventions in New York City which were hosted by the Port Authority within a month period in 1983. Professional organizations across the nation have depended on him to take over their major meeting planning, just as most long-term employees expect him to have a principal role in running the Medal Awards Ceremony and the annual Port Servic Club Luncheon.

Carl is a versatile manager. His talent as a teamworker is the basis for producing results, often in quick time. He moves easily from project team to project team, contributing his best, following up, and seeing to it that everyting promised is produced. He's also that special employee who can be counted on to work on his own, an independent, creative thinker.

For his long and diligent years of service, invariably rendered from behind the scenes and for his skill and professional expertise in making so many of this organization's special events both memorable and distinctive, it is recommended that the Distinguished Service Medal be presented to Carl Kleeberg.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Carl Kleeberg for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Alvin Millman

It was recommended that the Distinguished Service Medal be awarded to Alvin Millman.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Alvin Millman it is recommended that the Distinguished Service Medal award be given on the following grounds:

As Supervisor of the Reproduction Services Section in the Communication Services Division, Alvin Millman has been responsible for supervising literally thousands of reproduction jobs which are directed to his Unit, many of which are performed under impossible time constraints. It is a tribute to Mr. Millman's unusual supervisory talents, that, despite such pressures, he has consistently received the excellent cooperation and support of his staff, the respect of his peers and produced the jobs in a timely professional manner. Although his Unit has had a relatively low turnover and consequently few promotion opportunities, his staff maintains a high morale.

With a relatively small staff now numbering 24, Mr. Millman's section is responsible for preparing and eventually monitoring outside contracts which currently exceed $1.5 million. He has also successfully devised an operating plan which has enabled him to consolidate his staff by merging the night shift with the day shift, while still maintaining a high level of service to his clients. In the last 25 years, Mr. Millman has been able to triple the output of the Unit, while at the same time, cutting the staff in half.

In meeting the expanding needs of the Port Authority during the more than 26 years he has served as Supervisor of the Reproductions Unit, Mr. Millman has employed the latest technology in his Unit, consistent with cost effectiveness. He is continually alert to new ideas and equipment which will enable his staff to improve their daily operations. He is currently working with the Engineering Department to establish a method for preparing and printing half size drawings. This is expected to produce savings in excess of $100,000 per year.

Mr. Millman was instrumental in the purchase of Davidson offset presses and electrostatic platemakers which enabled his Unit to reproduce engineering contract specifications more efficiently. Since 1966, his Unit has annually produced a greater percentage of contract books in-house each year, until now it does almost 95% of these printing jobs in-house.

In 1977, Mr. Millman completed the professional requirements of the In-Plant Printing Management Association which enabled him to become a Certified Graphics Communications Manager. He holds the distinction of being among the first 50 recipients of this prestigious certification. In addition to acquiring a license from the New York City Board of Education to teach photography and offset printing, Mr. Millman conducted Port Authority In-Plant Printing Management Association seminars in the Graphic Arts field. He has been an active member of the Society of Reproduction Engineers, the American Society of Photogrammetry, the Society of American Military Engineers and has served on the Board of the In-Plant Printing Management Association.

For his outstanding record of service, for his dedication to excellence in the field of reproduction and graphic art and his demonstrated capabilities in a demanding and rapidly changing field, it is recommended that the Distinguished Service Medal be awarded to Alvin Millman.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Alvin Millman for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Amedio Montemurno

It was recommended that the Distinguished Service Medal be awarded to Amedio Montemurno.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Amedio Montemurno it is recommended that the Distinguished Service Medal award be given on the following grounds:

Amedio Montemurno began his combined Hudson and Manhattan and Port Authority Trans-Hudson career in 1945 as a Maintenance Helper in the Repair Section of the Car Equipment Division. Over the next 38 years, he rose steadily through the ranks assuming positions of increasing responsibility to become Senior Foreman of the Repair Section. His job entails the supervision of the more than 70 highly skilled craft mechanics who handle the heavy duty repairs on all PATH cars.

Each day, Mr. Montemurno is primarily responsible for the scheduling of any PATH car equipment requiring repair work that must come into the Henderson Street Repair Shop. To do this and do it successfully requires close coordination within the Repair Section itself. He oversees the work activities of the five distinct functions which include Machine, Electrical, Car Body, Air Conditioning and Truck Repair. His analysis of the workload already in the Shop is a determining factor as to what new repair work can be handled in the Shop within time constraints and to assure the availability of sufficient cars for service. He then must coordinate his requests with the Transportation Division, which is responsible for the movement of cars on the system, and assure that the equipment he requires is in place and ready prior to the start of work at 7:00 a.m. His capabilities in this area were demonstrated during the past year when PATH hired a consultant to perform a fleet condition assessment as part of the Rail Vehicle Fleet Improvement Study. Mr. Montemurno was primarily responsible for meeting the consultant's requests to have various cars and components available in the shop, while simultaneously prioritizing and scheduling cars for required maintenance.

Through his years of involvement with the daily preparation of PATH's rolling stock for service, "Army," as he is known to his supervisors and peers, has developed a reputation as a highly conscientious, reliable and dedicated staff member. In addition, his knowledge of "state of the art" technology has made him an invaluable source of information on the sophisticated machinery required to maintain PATH's car fleet. For example, Mr. Montemurno was instrumental in the development of specifications, as well as the selection and acquisition, of a rebuilt wheel lathe and boring mill as an alternative to a far more costly new machine. This machinery was literally reclaimed from a pile of rust and resulted in the ability to do the job of truing wheels more quickly and cheaply and with less manpower. Another example of Mr. Montemurno's contributions is evidenced in his recent work with the Engineering Department's Research & Development Division in their Rail Force Analysis Program, which has as one of its goals the determination of whether the life of the rapid transit car wheel can be extended by changing to a different profile or shape. Mr. Montemurno's contribution to this effort involved supervising Car Equipment Division's staff in fabricating and installing parts on car components for mounting Research & Development's sensitive testing equipment. Most recently he was involved in the design and development of a $250,000 wheel press installed at PATH's 33rd Street junction. His machine shop knowledge and expertise was instrumental not only in its development but also in the installation of this equipment which is used to place wheels on axles. The new equipment facilitates this process which must be true and hold fast to assure a firm fit and smooth ride.

Mr. Montemurno's personal work methods have always been above standard and he expects no less from those he supervises. Consequently, he has been an ideal instructor for the PATH Apprentice Programs in which PATH employees receive three years of formal classroom and on-the-job training in order to eventually qualify for positions in the machinist's crafts. With his technical skills and willingness to give more than is expected, Mr. Montemurno is clearly an appropriate choice to teach the required knowledge and to encourage the spirit of dedication to those students who will eventually maintain the equipment that carries thousands of PATH passengers each day.

For his consistently high level of performance and for his long and dedicated service, it is recommended that the Distinguished Service Medal be awarded to Amedio Montemurno.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Amedio Montemurno for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Herman D. Nydick

It was recommended that the Distinguished Service Medal be awarded to Herman D. Nydick.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Herman D. Nydick it is recommended that the Distinguished Service Medal award be given on the following grounds:

Herman D. Nydick, an Audit Supervisor currently assigned to the Percentage Agreements and Parking Lots Audit Division, recently completed 35 years of Port Authority service. Mr. Nydick's performance during his entire career has been exemplary, demonstrating time and time again his excellent technical skills combined with unparalleled integrity, loyalty and conscientiousness.

Mr. Nydick started with the Port Authority in July 1948 as an Operations Attendant and later as a Field Representative at Newark International Airport. While working full time during the day, Mr Nydick attended Rutgers University at night and in 1951 received a Bachelor of Science degree with a major in Accounting. In 1952, Mr. Nydick began his financial career with the Port Authority working in the Accounting Division as an Accounting Clerk II. He was subsequently promoted to an Accountant I position. In 1955, Mr Nydick was promoted to the Audit Unit in which function he has served ever since and where he has advanced from his earliest assignment as an Auditor I to his present position, Audit Supervisor. Small wonder then that he was already among the elite cadre of audit veterans when Audit became a department and that he was selected for a leadership role.

During his almost 30 years in Audit, Mr. Nydick has been a mainstay of the department, making a name for himself, initially in the area of parking lot audits, then WTC construction audits, and more recently earning a reputation as an expert in the auditing of the often problem plagued Port Authority ground transportation permittees.

While others might have been content with those achievements and been willing to rest on their laurels, Mr. Nydick was never one for coasting and is perhaps doing some of his finest work now. In the course of his ground transportation audits (many of which either have been or are now involved in litigation), he works closely with other departments, particularly with the Law Department. Because of the nature of ground transportation operations, Mr. Nydick has been called upon on numerous occasions to work late, come in on weekends, or work a night shift. He has met on numerous occasions with representatives of outside agencies, such as the Suffolk County District Attorney's office, and has appeared as an expert witness in many court proceedings on behalf of the Port Authority. The Law Department credits Mr. Nydick with contributing greatly to recent successes they have had in litigation involving ground transportation permittees. In 1979, an attorney in the Law Department wrote commending Mr. Nydick's efforts and noted that, "Herman Nydick is one who somehow manages to fill my most 'unreasonable' demand in short order...In short, let me thank the Audit Division for Mr. Nydick." This respect and admiration continues unabated today.

In his auditing career, Mr. Nydick has been involved in countless audits that have improved the controls over Port Authority parking operations, produced substantial additional revenues to the Port Authority and significantly reduced construction contractors' billings to the organization. And one further extension of this remarkable display of talent is that he has always been willing to share that knowledge in the training of new staff members, an attribute that will benefit the Port Authority for many years to come.

For his long and dedicated service and for the benefit of his exceptional talents through his career it is recommended that the Distinguished Service Medal be awarded to Herman D. Nydick.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Herman D. Nydick for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Marianne Reinhardt

It was recommended that the Distinguished Service Medal be awarded to Marianne Reinhardt.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Marianne Reinhardt it is recommended that the Distinguished Service Medal award be given on the following grounds:

Marianne Reinhardt, Personnel Data Specialist in the Personnel Department, is a diminutive dynamo with a legendary capacity for work. This latter fact, incidentally, is one for which all staff can all be grateful since it assures that each staff member will get a pay check as regularly as clockwork and that the amount on the pay check will be correct.

Mrs. Reinhardt came to the Port Authority in 1963 and spent the early part of her career in a variety of increasingly responsible secretarial positions. She joined the Personnel Department in 1970 and soon became a valuable member of that department's Administrative Division, the repository for all active personnel records and the unit responsible for processing the endless stream of paperwork necessary to keep track of the organization's employees. Today the Computerized Personnel System encompasses some 200 different programs which impact on an employee's records and payroll history. Mrs. Reinhardt is familiar with all of them and their gliches.

At one time or another during the course of a year her efforts effect virtually everyone of the Port Authority's more than 6,800 employees, some of them two or three times. She handles an annual volume of more than 4,000 payroll documents, including individual and blanket payroll adjustments for present and newly hired staff. No wonder she arrives early, leaves late and usually lugs a satchel of work home every night, not because she is told to but because she considers it her responsibility. There are seven different Port Authority pay plans and over 840 job titles that run the gamut from Accountant to X-Ray Technician, from Bridge Painter to Senior Transportation Programs Analyst, from Clerk Typist to Executive Director. Each person in each position has a specific set of incidentals that are particular to that individual. Factors, such as levels, ranges, steps; seniority in grade; whether you are classified as management, professional, technical. clerical or are

affiliated with one of eight different unions; whether your are part-time, project, probationary or permanent; whether you are paid by the hour or earn an annual salary – all of which affect your pay. In a word the Personnel Classification and Compensation Plan is awesome. If it has a single constant, it is that it is always in a state of change. And if Marianne Reinhardt has a single most notable attribute, it is that she never forgets that each payroll notice represents a human being with individual needs and concerns. For her the process is not just paper work, it is people work and each deserves and gets the same respect that the person does.

In her daily routine Mrs. Reinhardt is called on to process payroll adjustments, field questions from department and facility administrators and maintain an almost continuous dialogue with staff of the Electronics and Payroll Units and the Client Representatives in the Personnel Department. Because of her position, she is frequently in possession of highly sensitive and confidential information which she treats as a sacred trust and it is as secure with her as if it were locked in a vault. The knowledge, experience, judgment and trust required to properly administer the COMPERS function has been demonstrated by Mrs. Reinhardt over a decade of dogged determination. Incidentally, along with all her accomplishments, Mrs. Reinhardt has had perfect attendance for the past 10 years.

One of the most widely known tenets of computer technology is abbreviated as GIGO, meaning if you put garbage into a system you will get garbage out of it. Mrs. Reinhardt makes certain that our payroll system is protected from the GIGO syndrome. What goes in is reviewed, verified, double-checked and thoroughly validated. The system can't allow room for error and Mrs. Reinhardt won't let it. For example, the signing of a union agreement can mean salary adjustments for a group of anywhere from a 100 to a 1,000 and may involve retroactive payments, changes in overtime compensation premium payments and allowances and an assortment of related details each of which must be processed through with infinite care to achieve desired results, all while handling a regular daily routine of promotions and merit increases. And, needless to say, everyone concerned expects to see those changes in their next pay check. That this is invariably what happens is in no small part directly attributable to the hands-on administration of Marianne Reinhardt.

For her constant and selfless dedication to the task of salary administration, for her tireless devotion to precision and detail, for her mastery and demonstrated expertise in the performance of a demanding function which benefits us all, it is recommended that the Distinguished Service Medal be awarded to Marianne Reinhardt.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Marianne Reinhardt for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Bernard J. Sloan

It was recommended that the Distinguished Service Medal be awarded to Bernard J. Sloan.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Leon Katz it is recommended that the Distinguished Service Medal award be given on the following grounds:

Bernard J. Sloan, Manager, New Jersey Marine Terminals, has spent 25 of his 37 years of Port Authority service in the Port Department and its predecessor, the Marine Terminals Department. His contributions to the economic performance of the marine terminals and service to the industry are evidence of his ability and personal drive.

Mr. Sloan began his career in the centralized Port Authority Departments, including Operations and Real Estate. Early on he was involved with tenant relocation programs during the Lincoln Tunnel Expansion and the addition of the lower level to the George Washington Bridge. During his years with the Port Department, he has played a major management role in steering those facilities through the planning, development and operational stages of containerization and the establishment of the marine facilities on Newark Bay as the Container Capital of the World.

Port Newark and Elizabeth provide unparalleled marine facilities. To a major extent, their effectiveness in moving cargoes reflects excellent planning and design, but the reputation they enjoy owes much to the way they are managed on a day-to-day basis. Regardless of its efficiency, a terminal cannot maximize its performance as an isolated entity. It must fit both physically and procedurally into a system of other terminals, support areas and access facilities. The fact that the New Jersey Marine Terminals provide and maintain this well-meshed fit is a direct result of the leadership, management and consistent efforts of Mr. Sloan.

To produce these results is to meet the needs of a diverse set of facility users. In many instances, these various needs are incompatible. It is Mr. Sloan's unique talent to create and maintain relationships which get the job done for the many, while being responsive to the needs of individual tenants. He has applied these techniques successfully to numerous facility and tenant problem areas, including security, compliance with changing regulatory demands impacting the facility and the maintenance of an effective staff. He was instrumental in developing a series of check points as a security system for automobile importers who had been experiencing a rash of thefts of cars waiting for movement out of the vast parking areas at Port Newark. Mr. Sloan provided gates and the tenants provided people to man them. The thefts stopped and the security measures provided considerable savings to the tenants.

Mr. Sloan also possesses that ability most essential to a line department field manager, to effectively respond to the day-to-day and moment-to-moment circumstances of facility operations. For example, he recently accomplished all of the complex logistics and communications needed to establish a produce market operation at Port Newark when the State of New Jersey requested aid in resolving the problems generated by the closing of the Newark Market due to dioxin contamination.

In the area of tenant relations, Mr. Sloan has few peers. The scores of tenants ranging from small truckers to transportation conglomerates, all in a transient business with numerous turnovers, present innumerable demands. He handles these with considerable resourcefulness, allowing the tenant to get his work done, maintaining Port Authority standards and protecting and controlling the revenues and costs inherent in these tenant/facility relationships. In the port industry, he is recognized as a direct and fair operator who is an asset to the port community.

For his long and distinguished years of service to the port and to the operation of our New Jersey marine facilities, for his extensive operational expertise in marine terminal management and for the reputation he has helped the port earn in the world community of ports, it is recommended that the Distinguished Service Medal be awarded to Bernard J. Sloan.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Bernard J. Sloan for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Morris Sloane

It was recommended that the Distinguished Service Medal be awarded to Morris Sloane.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be given to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Morris Sloane it is recommended that the Distinguished Service Medal award be given on the following grounds:

A respected figure in American aviation for many years, Morris Sloane has been Deputy Director of Aviation since 1973. He began his Port Authority career as a Civil Engineer assigned to what was then New York International Airport. He has been involved in the development of John F. Kennedy International, Newark International and LaGuardia Airports in a variety of construction-involved roles such as Assistant to the Engineer of Construction, Airport Engineer and Project Engineer. He was appointed Assistant Chief of the old Aviation Construction Division in 1958; Manager of Plant & Structures at Kennedy in 1963; Chief of the Aviation Planning Division in 1966; and General Manager of Kennedy International Airport in 1968.

These were the years of tremendous growth in the aviation industry and of the consequent expansion of the Port Authority's aviation facilities. Mr. Sloane directed the installation at Kennedy Airport of a $20 million fueling system for aircraft, a vast and complex underground system operated by computer. Still the largest underground fueling system in the world, it feeds more than 3,500,000 gallons per day from a great storage area stretching along Bergen Basin, through the 50-mile pipe network directly to the planes at the passenger terminals. In 1967 a supply pipeline, reaching from refineries at Linden, New Jersey under the Narrows to Kennedy, began supplying fuel to the distribution system. During these years the first of the airline unit cargo terminals appeared, the $1.5 million structure which is now British Airways cargo terminal. This marked Kennedy's beginning as the air cargo capital of the world.

As General Manager of Kennedy International Airport, Mr. Sloane also was faced with rebuilding the airport to accommodate the widebodied aircraft such as the 747, DC-10 and L-1011 which were coming with their new mechanical and aeronautical requirements and the huge loads of passengers and cargo they would carry were to have a significant impact on air terminal facilities. The International Arrivals Building complex was being doubled in size, adding half a million square feet. And that year a strike on the docks sent many thousands of tons of cargo pouring into the airport's cargo handling facilities.

Simply put, the task of Kennedy's new General Manager was the equivalent of rebuilding an entire city, at a cost of $600 million, while keeping it in steady operation at a faster and faster pace. Taxiway and runway systems had to be rebuilt, cargo and aircraft maintenance facilities had to be expanded and modernized, and the entire Central Terminal Area had to be expanded and reshaped, with new terminals and extensions of the older ones. The result is the Kennedy International Airport we know today, one of the world's premier gateway airports.

In 1977, the Israeli government, impressed by the Port Authority's management of its regional airport system, requested a representative to assist in setting up a similar airport authority in their country. Mr. Sloane, because of his unparalleled knowledge, was chosen and assisted in setting up the Israeli Airport Authority. In 1981, Mr. Sloane's services again were specifically requested, this time by the West German government who asked that he serve as a consultant to review, comment and make recommendations concerning their regional airport system and existing airport authority. Mr. Sloane, on both assignments, rendered invaluable assistance to both countries and proved himself to be one of the foremost experts of airport operations in the world.

Mr. Sloane is a member of the Group 1 Council for Transportation Systems Planning and Administration of the Transportation Research Board in Washington, D.C. and has also served on various committees of the Airport Operators Council International, and other aviation industry organizations.

For his long and distinguished career, for his contributions to and achievements in the field of aviation and for the professionalism he has brought to every task earning respect for both himself and the Port Authority, it is recommended that the Distinguished Service Medal be awarded to Morris Sloane.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Morris Sloane for the performance of outstanding service.

Award of Distinguished Service Medal to William F. Thompson

It was recommended that the Distinguished Service Medal be awarded to William F. Thompson.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of William F. Thompson it is recommended that the Distingiushed Service Medal award be given on the following grounds:

Since that start of his career with PATH's predecessor, the old Hudson & Manhattan Railroad in 1950, William F. Thompson has demonstrated superior ability in his performance and has developed a remarkable record of achievement at PATH.

When he was hired for the position of Signal Helper, Mr. Thompson's skills and talents were quickly recognized and within two years, he qualified for the position of Signal Repairman. In this position, Mr. Thompson's performance was so outstanding that less than two years later he was promoted to the position of Leader on the Signal Construction crew. In this position, he consistently demonstrated exceptional judgment and leadership in carrying out the Signal Rehabilitation Program underway at that time.

Working on signal projects in the field, Mr. Thompson was challenged by the complexity of vital signal circuitry and logic. Driven by his own pursuit of knowledge, he mastered this extremely intricate circuitry and in 1960 he earned a promotion to Assistant Circuit Designer for Signals. Mr. Thompson's performance as a designer was also exceptional and in two years he was promoted to Technical Assistant, at about the time that the old H&M became the new PATH. In 1968 he was named Supervisor of Circuit Design. In this position, he was responsible for all aspects of design and engineering for the new signal projects underway, including the signalling for the new World Trade Center Interlocking, the Tunnel Signal Rehabilitation Program and the Journal Square Rehabilitation Project. The successful implementation of these projects is due in large measure to the technical expertise of William Thompson.

In 1974, Mr. Thompson was promoted to the position of Supervisor, Signal Construction Projects. He continued to develop new and innovative techniques to ease the installation of new signal equipment on PATH without disrupting operations. Mr. Thompson had full responsibility for the activity of both a.m. and midnight tour construction crews. This required him not only to closely coordinate the work but to constantly switch his own work schedule back and forth between these tours to resolve problems and review the progress of the crews.

Mr. Thompson held these two key positions at PATH during a very critical time when the aging signal system inherited from the Hudson & Manhattan Co. had to be replaced by a more modern system in order to provide for the safety of the riding public. That is a task similar to pulling out all the old electrical wiring in a house and putting in new wiring without interrupting the operation of the refrigerator, the hot water heater and every lightbulb in the house. Over a period of more than eight years, over 5300 signal relays were installed and an obsolete mechanical interlocking machine was replaced by a modern eletric unit. The successful completion of this work without causing disruption to PATH's daily operations reflects Mr. Thompson's skill and dedication.

Throughout his long career, Mr. Thompson has continually demonstrated a refreshing positive attitude toward his work. This trait is clearly exhibited in the training of new signalmen where he, as a teacher, shows extraordinary patience and interest in contributing to individual development. Mr. Thompson's pride in his craft is clearly evident in his lectures to young students and he sets an example for these future signalmen to strive for in their careers.

As Supervisor of Signal Construction, Mr. Thompson's duties require him to coordinate plans with other PATH divisions and outside contractors. Here again he has excelled because of his ability to understand the needs and problems of his counterparts in the other units. Mr. Thompson has universally earned the respect and esteem of his superiors, peers and subordinates both for his personal character and for his performance as a signalman.

For his valuable contributions during a career that spans over 33 years of superior service to PATH, and a record of achievement that is second to none, it is recommended that the Distinguished Service Medal be awarded to William F. Thompson.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to William F. Thompson for the performance of outstanding service.

(Board - 2/9/84)

Award of Distinguished Service Medal to Anna Belle Webb

It was recommended that the Distinguished Service Medal be awarded to Anna Belle Webb.

The Distinguished Service Medal under Board Resolution of March 2, 1944, as amended, is to be awarded to an employee only in those cases where the employee has performed unusually efficient or distinguished service involving exceptionally good conduct, judgment and initiative.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, by resolution adopted by the Board on March 2, 1944, as amended, a Distinguished Service Medal award was established, which award is to be given to an employee for the performance of outstanding service; and

WHEREAS, in the case of Anna Belle Webb it is recommended that the Distinguished Service Medal award be given on the following grounds:

Anna Belle Webb, currently Secretary to General Counsel/Assistant Executive Director Patrick Falvey, is a career Port Authority employee with over 26 years of outstanding service. Mrs. Webb began her Port Authority employment as a Dictaphone Typist in the early '50s, and with the exception of a brief stint as secretary to the staff writers in the Executive Director's Office, she has spent the balance of her career in the Law Department. In 1957, she was selected as a participant in the Law Department's legal training program and after several weeks of training was promoted to the position of Legal Steno I. Thereafter, she received a series of promotions becoming, successively, Legal Steno II, Clerk Steno III, Departmental Secretary and finally, in 1979, she was promoted to her present position of Secretary to the General Counsel.

Mrs. Webb is responsible for all of the paperwork and correspondence routed to the Office of the General Counsel/Assistant Executive Director. Her assignments include obtaining information from attorneys and other Port Authority staff on a wide variety of matters. She writes reports, reviews publications and prepares synopses of significant items, distributing them to appropriate staff. She has extensive personal and telephone contact with Port Authority Commissioners and high level officials at the Federal, state and local levels as well as outside counsel and others having important business relations with the Port Authority. She handles all of her assignments almost effortlessly but with the speed, accuracy, dependability and discretion that have become her personal trademark. Her work can truly be characterized as outstanding and her graciousness and charm make working with her a delight.

The fine filaments that make up the fabric of an agency such as the Port Authority often depend on the intricate weavings of the law for their strength and durability. In her position as Secretary to the General Counsel Mrs. Webb has frequently been involved in those weavings as intermediary, as confidant and as unerring memory. She has served during some of the most sensitive and far-reaching negotiations of this organization. Existing as the Port Authority does by written agreement between two states and in areas where Federal, state and communal jurisdictions often overlap, the Port Authority's legal efforts are often one-of-a-kind, pioneer innovations. In every instance her presence has been a positive factor. She has given completely of herself and demonstrated an unequalled mastery of the fine arts of good judgment and tact. This is a post that demands all you can give and then some. At critical times weeks run into each other and late hours become the norm. The job demands more than a passing intimacy with both the law and the Port Authority. Mrs. Webb has ably demonstrated that knowledge as well as a seemingly unquenchable thirst to learn more, for more than two decades. And, to the good fortune of all the attorneys, she has handled her task with a warmth and good nature that somehow makes it all tolerable.

In addition to her Port Authority duties, Mrs. Webb has been active over the years in the National Association of Legal Secretaries and has served as President of the Association's New York State and New York City chapters. The New York City Chapter named her Legal Secretary of the Year in 1969. Furthermore, Mrs. Webb was elected to represent the New York State Association on the National Board for four successive terms. Mrs. Webb has also devoted considerable time and energy to the Harlem Academy of Transition and is a lecturer at community colleges and the Youth Employment Training Program for Bronx minority youngsters. At LaGuardia Community College she assisted in setting up a legal secretary course of study for which the college now grants an associate degree. She also gives freely of her own time to assist young people in acquiring legal secretarial skills.

For her distinctive and dedicated career characterized by continously outstanding service, for her countless contributions to the smooth efficiency of our Law Department and for the good will and zeal that she has brought to every assignment, it is recommended that the Distinguished Service Medal be awarded to Anna Belle Webb.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized to award the Distinguished Service Medal to Anna Belle Webb for the performance of outstanding service.

Whereupon, the meeting was adjourned.

_____

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, March 8, 1984

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, March 8, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Robert F. Wagner, Vice-Chairman
Jerry Fitzgerald English	William J. Ronan
Robert V. Van Fossan	James G. Hellmuth
Philip D. Kaltenbacher	Lewis L. Glucksman
William K. Hutchison	John G. McGoldrick
Henry F. Henderson, Jr.	Howard Schulman

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel and Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Patrice Allen-Gifford, Administrative Assistant
Robert F. Bennett, Assistant Executive Director
Gwendolyn K. Crider, Administrative Assistant
Benjamin R. DeCosta, Assistant Manager, Management Personnel Division, Personnel
Sidney Frigand, Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director and Director of Administration
Francis A. Gorman, Director of Rail Transportation
Philip LaRocco, Director of Economic Development
Donald R. Lee, Director of Audit
Ernest M. Littles, Supervisor, Market Planning and Promotion, Aviation
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Comptroller
Rino M. Monti, Chief Engineer
Thomas R. O'Kane, Assistant Personnel Director, Personnel
Edward J. O'Malley, Director of Personnel
Leonard J. Riley, Director of Office of Management Information Services
Martin E. Robins, Director of Planning and Development
Victor T. Strom, Director of Management Services
Anthony J. Tozzoli, Port Director
Guy F. Tozzoli, Director of World Trade
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Assistant Director of Finance
Marvin Weiss, Director, Office of Minority Business Development
Marshal L. Wilcox, Jr., Treasurer
James Wong, Staff Personnel Representative, Personnel
Thomas C. Young, Jr., Principal Information Officer, Public Affairs

The meeting was called to order by the Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of February 9, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on March 8, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on March 8, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on March 8, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on March 8, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

(Board - 3/8/84)

LaGuardia Airport - Reinforcement of Runway and Taxiway Deck Structures

It was recalled that it was reported to the Board at its January 13, 1983 meeting that McDonnell Douglas Corporation is manufacturing the DC-9 Super 80 aircraft (a heavier version of the DC-9) and that McDonnell Douglas requested the Port Authority to advise it as to the maximum weight at which the DC-9 Super 80 would be permitted to operate at LaGuardia Airport.

Based upon authorization granted by the Board at that same meeting, the Port Authority entered into an agreement with McDonnell Douglas whereby the Port Authority agreed to provide certain work and services in order to determine the acceptable weight for the DC-9 Super 80 to operate at LaGuardia Airport. In return, McDonnell Douglas agreed to reimburse all Port Authority costs and indemnify the Port Authority for any claim relating to such work and services. Subsequently, and prior to the determination of an acceptable weight, six air carriers, including TWA and American Airlines, requested permission to operate the DC-9 Super 80 at LaGuardia Airport. Pending the completion of the work and services required to make a determination of the acceptable weight, permission was granted on September 1, 1983 to those six air carriers to operate the DC-9 Super 80 at LaGuardia Airport for a period of one year with certain restrictions, including less than maximum landing and take-off weights.

The work and services performed by the Port Authority and the findings of McDonnell Douglas' engineering consultant have resulted in a determination that, in order for the DC-9 Super 80 to operate at maximum take-off and landing weight at LaGuardia Airport, strengthening of the cantilever slabs in operational areas of the runway and taxiway deck structures will be required. Aircraft already approved and using the runway extension structure are going to be examined under present, more sophisticated computer models to determine if they benefit from this strengthening under an overload condition. The cantilever slabs at the land bulkhead previously strengthened to permit operation of the Airbus Industrie A-300 (and for which the project cost was fully reimbursed by Airbus Industrie) will require additional strengthening for the DC-9 Super 80 and that strengthening is included in the scope of work of the recommended project. A determination has not yet been made as to whether strengthening of the cantilever slabs in the non-operational (field) areas will also be required. No provision for the cost of such additional construction has been included in the recommended project and additional authorization will be requested should it be determined that such work is necessary.

The Committee on Construction, at its meeting on December 8, 1983, authorized the Chief Engineer to enter into an agreement with the URS Company, Inc. for engineering services related to the design and contract preparation for the required strengthening of the cantilevered slabs. The design is proceeding based upon the requirements for the DC-9 Super 80 aircraft. Other aircraft now being designed by Boeing, Airbus Industrie and McDonnell Douglas may benefit from the strengthening proposed for the DC-9 Super 80, but based upon the limited information concerning those aircraft available at this time, it is not possible to ascertain whether such is the case or if, in fact, even further strengthening will be required for those "future" aircraft should they be manufactured and proposed for operation at LaGuardia Airport.

(Board - 3/8/84)

It is desirable that the required strengthening be in place prior to the expiration on September 1, 1984 of the approval for interim operations in order to permit operations with the DC-9 Super 80 aircraft to continue without interruption and further to permit operation at the maximum aircraft weight as requested by the airline carriers. In order to meet the target date for the strengthening, all phases of the project will require expeditious handling. In addition, since most of the construction must be performed at night and is to be done over water and beneath the deck structures, weather and tide conditions as well as airport operations must be considered in scheduling the installation. Because of the unique and difficult nature of the work and the limited amount of time for its accomplishment, it is mandatory that bids be solicited only from contractors that have been prequalified. Therefore, the Chief Engineer will solicit proposals from the following contractors who have a demonstrated ability to perform this type of work within the limited time available:

Spencer, White & Prentis, Inc.
Rochelle Park, New Jersey

George W. Rogers Construction Corp.
New York, New York

A. Grace & Sons, Inc.
Whitestone, New York

J. Rich Steers
New York, New York

Spearin, Preston & Burrows, Inc.
New York, New York

Slattery Assoc.
Maspeth, New York

K. Koch Erecting Co.
Cartaret, New Jersey

It is requested that the Executive Director be authorized to award a contract for purchase of the structural steel to the lowest qualified vendor based on public solicitation of proposals, in order that the steel can be made available to the contractor for installation. This procedure will save valuable construction time because of the relatively long delivery time for the steel. Prior authorization for award of the construction contract by the Executive Director will permit construction work to commence at the earliest possible time to meet the target date of September 1, 1984.

It is intended that all costs associated with this project be recovered from the airlines via the flight fee formula, or be reimbursed by the McDonnell Douglas Corporation. The McDonnell Douglas Corporation has been advised that the Port Authority will proceed with the required strengthening of the cantilevered slabs only if assurances are provided that McDonnell Douglas will reimburse the Port Authority for all costs not recoverable via the flight fee formula. In addition, the Port Authority will make application for AIP Discretionary Funds.

It was therefore recommended that the Board authorize:

1. a project for the reinforcement of the runway and taxiway deck structures and cantilever slabs in aircraft operational areas at LaGuardia Airport at an estimated project cost of $7 million, including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses;

(Board - 3/8/84)

2. the Executive Director to authorize the award of a contract for purchase of the structural steel required for the reinforcement to the lowest qualified vendor on the basis of the bids received after public solicitation of proposals, exclusive of an authorization of up to 10% of the bid accepted for extra work;

3. the Executive Director to authorize the award of Contract LGA-220.028, LaGuardia Airport Runway Extension Deck Components, Strengthening of Cantilever Slabs, to the lowest qualified bidder on the basis of proposals received after solicitation of proposals from the list of seven contractors set forth above, exclusive of an authorization of up to 10% of the bid accepted for extra work; and

4. the Executive Director to enter into an agreement or agreements with aircraft manufacturer or manufacturers to provide for the payment of the costs of such construction in the event that alternative is pursued.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project for the reinforcement of the runway and taxiway deck structures and cantilever slabs in aircraft operational areas at LaGuardia Airport at an estimated project cost of $7 million, including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize the acceptance of that bid on a contract for purchase of the structural steel required for the reinforcement received after public solicitation of proposals, submitted by the lowest bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price he deems reasonable or to authorize the rejection of all bids, the form of the contract to be subject to the approval of General Counsel or his authorized representative; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to order extra work up to an amount equal to 10% of the bid on said contract accepted by the Port Authority without further Board or Committee approval; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize the acceptance of that bid on Contract LGA-220.028, LaGuardia Airport Runway Extension Deck Components, Strengthening of Cantilever Slabs, received after solicitation of proposals from the list of seven contractors set forth above, submitted by the lowest bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price he deems reasonable or to authorize the rejection of all bids, the form of the contract to be subject to the approval of General Counsel or his authorized representative; and it is further

(Board - 3/8/84)

RESOLVED, that the Executive Director be and he hereby is authorized to order extra work up to an amount equal to 10% of the bid on said contract accepted by the Port Authority without further Board or Committee approval; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to enter into an agreement or agreements with aircraft manufacturer or manufacturers to provide for the payment of the costs of such construction in the event that alternative is pursued.

(Board - 3/8/84)

Newark International Airport - New Cargo Building - Contract NIA-140.055 - Award

It was reported that the Board, at its meeting on May 13, 1982, authorized a project for the construction of a new cargo building at Newark International Airport at an estimated total project cost of approximately $5,160,000, including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses. Subsequent to this authorization, staff deemed it prudent to make certain changes in project scope in order to increase the marketability of the building by providing greater flexibility for tenant usage and expandability. The increase in scope includes: the construction of an approximate 5,000 square foot finished mezzanine within the building including additional offices and toilets and additional finished office space on the main level; the provision for further subdivision of the building and mezzanine to accommodate tenants requiring smaller areas; and, the construction of a storage shed adjacent to the building. The cost for these changes has increased the total estimated project cost from approximately $5,160,000 to approximately $5,793,000.

It was further reported that bids were solicited by public advertisement on Contract NIA-140.055 for the removal and stockpiling of surcharge previously placed on the building site area, the construction of a 53,000 square foot steel-framed cargo building, and construction of associated paving and utilities, all on the site of the abandoned North Fuel Farm at Newark International Airport.

In addition, the Board, at its meeting on August 27, 1980, authorized the Executive Director to establish and implement affirmative action efforts with respect to contracting opportunities. Accordingly, this contract includes a provision that the bidder will use every good faith effort to meet a goal for Minority Business Enterprise (MBE) participation of 10% for firms owned and controlled by minorities and 1% for firms owned and controlled by women.

Further, it was reported that on February 28, 1984, 11 bids were received ranging from a high bid of $4,659,000 to a low bid of $3,678,660.

The low bid was submitted by NPS Constructors, Inc. The bid of NPS Constructors, Inc. was placed before the meeting. The form of contract was approved by General Counsel.

It was therefore recommended that the Board authorize:

1. an increase in the scope of work under this project to include the construction of an approximate 5,000 square foot finished mezzanine within the cargo building including additional offices and toilets and additional finished office space on the main level; the provisions for further subdivision of the building and mezzanine to accommodate tenants requiring smaller areas; and the construction of a storage shed adjacent to the building and a resultant increase in the estimated total project cost from approximately $5,160,000 to approximately $5,793,000 including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses; and

(Board - 3/8/84)

2. upon the basis of a careful examination of all the bids and of the qualifications and experience of the bidders, the award of Contract NIA-140.055, New Cargo Building, Newark International Airport to NPS Constructors, Inc., which was recommended by the Chief Engineer as qualified; the Executive Director to order extra work up to the amount of $368,000 without further Board or Committee approval.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, the Port Authority has commenced a project for the construction of a new cargo building at Newark International Airport; and

WHEREAS, it is desirable to increase the scope of work under this project thereby increasing the estimated total project cost; and

WHEREAS, the Port Authority has invited bids on Contract NIA-140.055 for the removal and stockpiling of surcharge previously placed on the building site area, the construction of a 53,000 square foot steel framed cargo building, and, construction of associated paving and utilities, all on the site of the abandoned North Fuel Farm at Newark International Airport; and

WHEREAS, bids on Contract NIA-140.055 were submitted to the Port Authority and were publicly opened and then carefully compared and the qualifications of the bidders carefully investigated; and

WHEREAS, NPS Constructors, Inc. has submitted a bid for the performance of Contract NIA-140.055 in the amount of $3,678,660 and the Port Authority is satisfied that said bidder is qualified by reason of responsibility, experience and capacity to perform Contract NIA-140.055 if it be awarded to it and that the public interest will be best served by accepting the bid of said bidder.

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that an increase in the scope of work under this project to include the construction of an approximate 5,000 square foot finished mezzanine within the cargo building including additional offices and toilets and additional finished office space on the main level; the provision for further subdivision of the building and mezzanine to accommodate tenants requiring smaller areas; and, the construction of a storage shed adjacent to the building and a resultant increase in the estimated total project cost from approximately $5,160,000 to approximately $5,793,000, including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses, be and it hereby is authorized; and it is further

(Board - 3/8/84)

RESOLVED, that the Executive Director be and he hereby is authorized to accept the bid of NPS Constructors, Inc. on Contract NIA-140.055 in the manner provided therein, provided that until the Executive Director shall give formal notice to that effect to the bidder, as provided in the Information for Bidders, this resolution shall not be construed as an acceptance of said bid; and it is further

RESOLVED, that upon acceptance of the bid of NPS Constructors, Inc. on Contract NIA-140.055, the Port Authority staff members designated by title in said contract to exercise certain powers and duties be and they hereby are authorized to exercise said powers and duties and to do all things required or permitted by said contract to be done by them; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to order extra work in connection with Contract NIA-140.055 up to the amount of $368,000 without further Board or Committee approval; and it is further

RESOLVED, that the Secretary be and she hereby is directed to file in and as part of her official records the bid of NPS Constructors, Inc. on Contract NIA-140.055 and the duplicate original of the acceptance thereof.

(Board - 3/8/84)

Kennedy International Airport - Lease with Halmar Construction Corporation and Halmar Contracting, Inc. for Operation of a Multi-Tenant Air Cargo Service Building

It was recalled that the Board, at its meeting on May 13, 1982, authorized the Executive Director to invite organizations to submit proposals for the design, construction and operation of a multi-tenant air cargo service facility and to negotiate the terms of an agreement with the organizations submitting what, in his opinion, were the superior proposals; and authorized the Committee on Operations to approve the terms of the agreement and authorize execution thereof with the organization selected. This authorization called for a building consisting of approximately 200,000 square feet of space. Building No. 197, consisting of approximately 50,000 square feet of space, which is on the proposed site and could have been included in the 200,000 square feet, has since been leased to AirFreight Warehouse Corporation, as authorized by the Board at its meeting on August 11, 1983. This has reduced the site to approximately six acres and the building area to be developed to approximately 150,000 to 200,000 square feet. Either this site or another nearby area of approximately nine acres is available for development.

Three developers replied to the request for proposals. One was not responsive and a second developer subsequently abandoned its proposal. It is proposed that a lease be entered into with Halmar Construction Corporation and Halmar Contracting, Inc. for a term of approximately 27 years, commencing on or about May 1, 1984 or as soon thereafter as practicable, including a period for the design and construction of the multi-tenant air cargo facility. Under the terms of the lease the lessee will have complete responsibility for design, construction, maintenance, repair, operation and subleasing of the facility.

Payment of rentals will commence upon completion of construction, first occupancy by a subtenant or three years from the commencement of the lease, whichever comes first, at ground rental rates as follows:

First five years	$20,000 per acre
Years 6 - 12	$23,000 per acre
Years 13 - 20	$27,000 per acre
Years 21 to Expiration	$36,000 per acre

In addition once ground rental starts the agreement will provide for the Port Authority to receive 10% of rental revenues, as defined in the lease, in excess of 10 times the applicable land rental for each year of the lease term.

(Board - 3/8/84)

Port Authority advances, up to a maximum of $12 million exclusive of accrued interest, shall be made as portions of construction are completed and payments are made to the contractors by the lessee up to the completion of construction but not later than four years after commencement of the lease. Sums advanced by the Port Authority shall be repaid in equal monthly installments of principal and interest commencing with the commencement of the payment of rental, as aforesaid, to the end of the term of the lease. Such installments to be subject to adjustment to reflect advances made subsequent to the commencement of the repayment. Interest shall accrue on all sums advanced during the period prior to the commencement of repayment from the date advanced to the lessee. Payment of the interest accrued during this period shall be deferred for an additional period ending on the earlier of the fourth anniversary of the lease commencement date or two years after commencement of ground rental, and repayment of this amount, plus the additional interest accruing during the deferred period shall be made, in equal monthly installments including interest, over the remaining term of the lease. All deferred interest shall be compounded monthly. The interest rate to be applicable to all the foregoing shall be an annual rate of three percentage points over the Bond Buyer Revenue Bond Index average for the three-month period immediately prior to the commencement date of the lease.

The Port Authority will be responsible for certain site preparation work including certain utility modifications which, it is presently estimated, will have a cost, excluding Port Authority overheads, of approximately $368,000. In addition certain other utilities on the site may require relocation by the lessee the cost of which would be part of the lessee's cost of construction and eligible for Port Authority advances.

Security for the performance of the lessee's obligations under the lease will be required which may take the form of a security deposit, performance bond, other satisfactory security or a combination of the foregoing. In the event a performance bond is required the Port Authority would be obligated to bear the cost thereof up to $200,000.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement of lease with Halmar Construction Corporation and Halmar Contracting, Inc. at Kennedy International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be, and he hereby is authorized to enter into an agreement of lease for approximately six to nine acres of land at Kennedy International Airport with Halmar Construction Corporation and Halmar Contracting, Inc. for a term of approximately 27 years commencing on or about May 1, 1984 or as soon thereafter as practicable for the construction and operation, including subletting, of a multi-tenant air cargo service building with rentals to commence upon the earlier of the completion of construction, or occupancy by first subtenant or three years after the commencement of the lease term at the following basic rental rates:

(Board - 3/8/84)

First five years	$20,000 per acre
Years 6 - 12	$23,000 per acre
Years 13 - 20	$27,000 per acre
Years 21 to Expiration	$36,000 per acre

plus 10% of rental revenues, as defined in the lease, in excess of 10 times the basic rental, with the Port Authority to be responsible for certain site preparation work and with the Port Authority to be obligated to make available and the lessee to take advances up to a maximum of $12 million exclusive of accrued interest for the design and construction of the facility for a period of up to four years after the commencement of the lease term, with repayment thereof to be made in equal monthly installments of principal and interest over the balance of the term of the lease commencing upon the commencement of payment of rental as aforesaid and adjusted thereafter in the event further advances are made and with the payment of interest accruing during the construction period to be deferred for a period ending on the earlier of the fourth anniversary of the lease commencement date or two years after commencement of the payment of rental from the commencement of repayment and repaid, with interest accruing thereon during the deferral period, together with interest, over the balance of the lease, the interest to be applicable to all the foregoing to be at an annual rate of three percentage points over the Bond Buyer Revenue Bond Index average for the three-month period immediately preceding the commencement of the lease and with the Port Authority to be responsible for the cost, not to exceed $200,000, of a Performance Bond covering the lessee's obligations; the form of the foregoing agreement of lease to be subject to the approval of General Counsel or his designated representative.

(Board - 3/8/84)

Kennedy International Airport - Building No. 197 and Site - Supplement to Lease with Air Freight Warehouse Corporation

It was recalled that the Board, at its meeting on August 11, 1983, authorized the Executive Director to enter into an agreement with Air Freight Warehouse Corporation for the lease of Building No. 197 and site at Kennedy International Airport for a term to be effective on or about March 1, 1984, consisting of 10 years plus a period of initial occupancy not to exceed six months. During such initial period, Air Freight Warehouse was to undertake certain modifications and alterations to the premises while paying ground rental only. At the time this authorization was requested, it was anticipated that the agreement between the parties would be executed on or about September 1, 1983 and that Air Freight Warehouse would be afforded a full period of approximately six months prior to commencing the payment of full building and ground rental on March 1, 1984.

The agreement between the Port Authority and Air Freight Warehouse, as executed, was effective as of December 1, 1983, and as a result, the six-month period for preparation of the premises, which had been originally intended, was substantially reduced. This original intention would be effectuated by changing the effective date for the commencement of the payment of full rental from on or before March 1, 1984, to on or about June 1, 1984 and by changing the lease expiration date to 10 years thereafter, or on or about May 31, 1994.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement with Air Freight Warehouse Corporation at Kennedy International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement with Air Freight Warehouse Corporation supplementing the present agreement between Air Freight Warehouse Corporation and the Port Authority for the lease of Building No. 197 and related outside areas at Kennedy International Airport to provide for a lease term commencing on December 1, 1983 consisting of 10 years plus an initial period of approximately six months during which initial period Air Freight Warehouse will pay only ground rental and be permitted only to perform repairs and modifications to the premises; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 3/8/84)

Kennedy International Airport - International Arrivals Buildings - Ramp Vehicle Fueling Station - 10-Year Leases with Allied Aviation Service International Corporation, Servair, Inc. and Dynalectron Corporation, Acting Jointly and Severally, and Triangle Services, Inc. - Revisions to Agreements and Reimbursement of Costs Incurred for Relocating the Ramp Vehicle Fueling Station

It is recalled that the Board, at its meeting on July 14, 1983, authorized the Executive Director to enter into three individual leases with Allied Aviation Service International Corporation, Servair, Inc. and Dynalectron Corporation and Triangle Aviation Services, Inc. for the construction and operation of a ramp vehicle fueling facility on a site on the Wing and International Arrivals Buildings ramp.

Subsequently, it was determined that due to the rapid growth of activity in the Trans World Airlines and Pan American World Airways Unit Terminals, which are adjacent to the Wing Buildings, a more efficient utilization of ramp space could be obtained if the new ramp vehicle fueling station site could be relocated approximately 200 feet westward to allow sufficient space for a new aircraft taxilane. Such relocation will incur additional costs for paving, piping, traffic control devices, extending electrical service to the site and reconfiguring the design layout. The total cost for the additonal work is estimated to be approximately $40,000. Since the site of the ramp vehicle fueling station is being relocated at Port Authority direction it is deemed appropriate that the Port Authority be obligated for these additional costs, not to exceed $40,000. This additional work would be performed by Allied Aviation Service International Corporation.

The site relocation has also resulted in several months delay in the start of construction work. Therefore, a change in the commencement date of the 10-year lease term from on or about September 1, 1983 to on or about January 1, 1984, has become necessary.

Since the Board's original authorization in July 1983, construction costs have escalated steeply. It is now estimated that total construction costs for the new ramp vehicle fueling station will be $450,000 instead of the originally estimated $350,000. It is therefore requested that the Board authorize an increase in the maximum amount the Port Authority may be obligated to pay to each lessee from $116,666 to $150,000, in the event reimbursement of unamortized construction costs is required. Such construction costs would continue to be amortized on a straight line basis over the 10-year term of the leases.

Also, under the Board's original authorization, the Port Authority was to be obligated to reimburse a lessee its unamortized investment in the event, among other things, that a lessee should loss all of its aircraft operator ramp service customers at the airport and terminate its ramp station lease. It is now deemed appropriate to change this condition to permit such lease termination and reimbursement if a lessee should lose all its ramp service customers in only the International Arrival and Wing Buildings.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into appropriate agreements with Allied Aviation Service International Corporation, Servair, Inc. and Dynalectron Corporation and Triangle Aviation Services, Inc. at Kennedy International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into agreements of lease with Allied Aviation Service International Corp., Servair, Inc. and Dynalectron Corporation, and Triangle Aviation Services, Inc. covering the construction and operation of a ramp vehicle fueling facility on the International Arrival and Wing Buildings ramp in accordance with the resolution of the Board adopted at its meeting on July 14, 1983 amended to provide that the Port Authority will be obligated to reimburse each lessee for its unamortized cost of construction up to a maximum of $150,000 computed on a straight-line basis over the 10-year lease term in the events that it no longer provides ramp services to any aircraft operator in the International Arrival and Wing Buildings or its Ramp Service Permit is revoked without cause or not extended by the Port Authority, and with the 10-year term of the leases to commence on or about January 1, 1984; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to enter into a separate agreement with, or to include provisions in the lease with, Allied Aviation Service International Corp., covering the performance of work occasioned by the relocation of the ramp vehicle fueling facility site and payment by the Port Authority of the cost therefore up to a maximum of $40,000; and it is further

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

(Board - 3/8/84)

Newark International Airport - Terminal C - American Airlines, Inc. - (AN-544), Northwest Airlines, Inc. (AN-545), Pan American World Airways, Inc. - (AN-546) - Supplement to Airline Agreements and Surrender of Pan American Lease (AN-543) in Terminal B

It was recalled to the Board that at its meeting on February 19, 1967 it had authorized a project for the redevelopment of Newark International Airport, including the construction of new passenger facilities. The Port Authority subsequently entered into leases with eight airlines. As part of these leases, the Port Authority was responsible for constructing the passenger terminal "shells" and the lessees were responsible for completing their interior finishes. Terminals A and B were finished as planned and occupied by the lessees. These leases also cover among other things, the flight and fueling fees at the airport.

In 1973, the Port Authority entered into Memorandum of Understanding Agreements with American Airlines, Inc., Northwest Airlines, Inc. and Pan American World Airways, Inc. calling for, among other things, leases for approximately one-third of Terminal C. The shell of that Terminal was completed by the Port Authority as of December 1, 1974. At its meeting on July 11, 1974, the Board authorized amendatory agreements to the Memorandum of Understanding Agreements whereby the three airlines were permitted to postpone completion of their interior terminal space to April 1, 1979. At the time these amendatory agreements were entered into, the expectation was that the airlines would require the Terminal C facilities by early 1979 at which time the airline work and the remaining Port Authority work was to have been completed and leases entered into. At its meeting on October 11, 1979, the Board authorized a further amendatory agreement which extended the date for the airlines' completion of their portion of Terminal C to January 1, 1985 and increased the level of airline payments to the Port Authority.

The three carriers have indicated that with the passage of time and changes in the air transportation industry, their terminal requirements at the airport have changed considerably. American, currently a sublessee of one of the carriers in Terminal B, has advised that based on its traffic projections it no longer requires that five aircraft gate positions it had originally agreed to some 11 years ago and it is seeking to reduce its commitment to a two-gate leasehold. Pan American has indicated that because of the five-gate leasehold it acquired in Terminal B as a result of its merger with National Airlines, it no longer requires a two-gate leasehold in Terminal C. Northwest, currently, a sublessee of one of the carriers in Terminal A, has indicated it plans to retain a total of three aircraft gate positions and related terminal space for which it originally committed, but that it is prepared to lease such space which might be available in Terminals A or B instead of completing the Terminal C space.

(Board - 3/8/84)

It was recommended that it would be more appropriate to supplement the Memorandum of Understanding Agreements terminating all rights and obligations of the three carriers with respect to occupancy of space in Terminal C, the carriers to agree to occupy space in Terminals A or B and to make a settlement payment to the Port Authority for being released from their Terminal C commitments. Under the agreements which would be effective as soon as possible American would pay the Port Authority a settlement amount totaling approximately $5.5 million, Pan American would pay a settlement amount totaling approximately $3.7 million and Northwest would pay a settlement amount totaling approximately $1 million. The settlement payments would be made by each carrier either in a lump sum, or in installments over a term not to extend beyond 1998 at a rate of interest as determined by the Executive Director, the choice to be at the election of each of the carriers. All amounts due under the Memorandum of Understanding Agreements must be paid up to the effective date of the supplements. It is understood that the terms of the proposed arrangement which has been reviewed by the staffs of the carriers are subject to the approval of their respective Board of Directors.

It was recommended further that the Port Authority enter into an agreement effective as soon as possible with Pan American whereby Pan American would surrender its present five-gate leasehold in Terminal B in exchange for the payment by the Port Authority of approximately $4.6 million for the existing improvements therein. The 1984 Budget would be revised if necessary. Pan American would lease space, including one or two aircraft gates, in Terminals A or B more suited to its present requirements. This could conceivably involve one or two of its existing five gates. The space to be vacated by Pan American would be leased to other airlines which have requested it. Based upon current market conditions, it is anticipated that the five gates and related Terminal B space surrendered by Pan American will be re-rented at rates which should make the Port Authority whole.

The new leases with American, Northwest and Pan American and others for space in Terminals A or B would be subject to the approval of the Board in a subsequent action.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into agreements supplementing the Memorandum of Understanding Agreements, as heretofore amended, with American Airlines, Inc., Northwest Airlines, Inc. and Pan American World Airways, Inc. and to enter into an agreement with Pan American World Airways, Inc. for the surrender of its Terminal B leasehold, all at Newark International Airport and all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into agreements supplementing the Memorandum of Understanding Agreements entered into by the Port Authority in 1973 with American Airlines, Inc., Northwest Airlines, Inc. and Pan American World Airways, Inc., as the same have been previously amended, at Newark International Airport, whereby from and after the effective date of the supplements all rights and obligations of the carriers to the occupancy of space in Terminal C at

the airport are terminated, the carriers to pay either in a lump sum or in installments at a rate of interest as determined by the Executive Director over a period of time not to extend beyond 1998, approximately $5.5 million by American, approximately $3.7 million by Pan American, and approximately $1 million by Northwest, with American and Northwest to agree to enter into leases covering occupancy of space in either Terminals A or B at the airport, which leases are subject to the further approval of the Board; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement with Pan American World Airways, Inc. providing for the surrender by Pan American of its Terminal B leasehold effective as soon as possible and with the Port Authority paying to Pan American approximately $4.6 million for the existing improvements thereon, with Pan American to agree to enter into a lease covering occupancy of space in either Terminals A or B for a one or two gate leasehold, which lease is subject to further approval of the Board; and it is further

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

(Board - 3/8/84)

Kennedy International Airport - Pan American World Airways, Inc. - Settlement of Certain Outstanding Claims - Supplement to Major Maintenance Base Lease

It was reported that the Audit Department examined the records of Pan American World Airways, Inc. for aircraft maintenance work done for other airlines at Kennedy International Airport for the period July 1, 1976 through June 30, 1982. The examination disclosed that Pan American, in addition to servicing other airlines from its Major Maintenance Base, also serviced other airlines from other hangar facilities even though Pan American did not have a permit to do so; had failed to make full report of its activities at the Major Maintenance Base; and had not made reports of work done elsewhere. After protracted negotiations with Pan American which centered mostly around whether much of the work actually took place at Kennedy International Airport, as opposed to other airports (Pan American's records did not clearly differentiate), agreement was reached with Pan American on a total settlement of $1,714,124 relative to unpaid percentage rental and fees for aircraft maintenance performed for others. Of the amount $1,268,647 relates to work performed at Pan American's Major Maintenace Base and $445,477 to work performed at other Kennedy International Airport hangar facilities. Further, as part of the settlement and in order that the provisions of the Maintenance Base lease relating to the payment of percentage rental and the provisions of the permit to be issued to Pan American covering maintenance services for others to be performed at other hangars and offered to other airlines at the airport be consistent, certain changes would be made effective as of July 1, 1982 to the Major Maintenance Base lease including the exclusion from gross receipts subject to percentage rental of monies arising from the availability and resale of parts, warranty claims work, rental of equipment from third parties and certain technical advisory services. Pan American will also agree to become current in all reports and to pay all required fees for aircraft maintenance services performed for others at Kennedy International Airport from July 1, 1982 to the present.

At its meeting on December 10, 1981, the Board approved new leases with Pan American for Hangars 14 and 17 and Cargo Building 67 and a settlement in the amount of $425,000 of an outstanding claim by Pan American in the amount of $1 million from overbilling of electrical consumption at its Major Maintenance Base for the period April 1972 to September 1976. This settlement was to be realized by a credit of $425,000 against Pan American's Hangar 17 rentals. The credit has not yet been made and staff recommends that the $425,000 electrical settlement be treated as an offset to the aforementioned aircraft maintenance amount. The settlement would be conditioned upon the receipt of appropriate releases and a stipulation discontinuing the legal action commenced by Pan American in connection for the electrical payments. Payment of the net amount by Pan American would be made by credit against sums owned to Pan American, if any, or over a period of up to five years in monthly payments at an annual interest rate of 14%, or in cash.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to accept payment and to enter into agreements with Pan American World Airways, Inc. at Kennedy International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to accept the payment by Pan American World Airways, Inc. of $1,714,124 as full satisfaction for all unpaid fees for aircraft maintenance performed by Pan American World Airways, Inc. for others at Kennedy International Airport for the period from July 1976 through June 1982; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized, in connection with and as an offset against the foregoing payment by Pan American, to enter into an agreement with Pan American World Airways, Inc. for settlement in the amount of $425,000 of an action commenced by Pan American World Airways, Inc. in July 1979 in the Supreme Court of New York, County of New York in the amount of $1 million to recover monies plus interest Pan American claims it had been overbilled for electrical consumption at Pan American's Major Maintenance Base at Kennedy International Airport from April 1972 to September 1976, the settlement conditioned upon the receipt of appropriate releases and a stipulation discontinuing the subject action; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized, in connection with the foregoing, to enter into an agreement supplemental to Pan American's Major Maintenance Base lease to amend the provisions relating to the payment of percentage rental for aircraft maintenance including the exclusion from gross receipts of monies arising from the availability and resale of parts, warranty claims work, rental of equipment from third parties and certain technical advisory services; and it is further

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

George Washington Bridge - Upper Level Sidewalk Replacement - Contract GWB-110.075 - Supplemental Agreement No. 1

It was reported that the Board, at its meeting on August 11, 1983, authorized the award of Contract GWB-110.075 to DeFoe Corp., the low bidder, at its bid price in the estimated amount of $3,218,300, plus an authorization of $325,000 for extra work. The contract provides for the removal and replacement of the north and south concrete sidewalks on the upper level of the George Washington Bridge and miscellaneous rehabilitation, modification and refurbishment of associated steel, removal of portions of the tower observation areas, and the elimination of chafing where the main cables penetrate the sidewalk. The contract also provides for limited replacement of deteriorated steel discovered in the course of removing concrete sidewalks, on a net cost basis, which at the time of award was estimated at roughly $100,000.

As the demolition proceeded on the north sidewalk between the New York Anchorage and the New York Tower, extensive corrosion was found to exist in the sidewalk beams and at the curb stringers supporting the sidewalk beams. The extent of this corrosion is so great that at some locations almost nothing remains of the top flanges of those beams. Therefore, in some cases it will be necessary to remove and replace the sidewalk floor beams while in other cases the welding of a plate to reinforce the top flange, as detailed in the contract, will correct the condition. In the case of the curb stringers, it has been determined that modification of these beams is the optimal solution.

Some wearing out due to expected bridge movement also exists in the connections of the fascia girders supporting the outside edge of the sidewalk. Although this wear down is not meaningful, an overstress may have existed in the end connections of the fascia girders since the original construction. It may prove necessary to reinforce these fascia girder connections. The Engineering Department is reviewing the calculations further and a consultant has been retained to assist in this effort and, among other things, to recommend appropriate courses of action.

All of these corrective measures must take place prior to replacing the sidewalk concrete. At present, since work is being performed on the north sidewalk, it is closed to the public. Pending a detailed study of the south sidewalk structural steel supports, the south sidewalk has also been closed to the public. The total extent of required repairs will not be known until both existing sidewalks are completely removed and analysis is completed. It is roughly estimated that the cost of these repairs will be in the range of $2-$4 million.

It was therefore recommended that the Board authorize Supplemental Agreement No. 1 to Contract GWB-110.075, Upper Level Sidewalk Replacement, George Washington Bridge with DeFoe Corp. to provide for various repairs to and corrective measures in connection with the steel substructure for the north and south sidewalks on the upper level of the George Washington Bridge at a cost roughly estimated to be in the range of $2-$4 million.

(Board - 3/8/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Executive Director to execute Supplemental Agreement No. 1 to Contract GWB-110.075, Upper Level Sidewalk Replacement, George Washington Bridge with DeFoe Corp. to provide for various repairs to and corrective measures in connection with the steel substructure for the north and south sidewalks on the upper level of the George Washington Bridge at a cost roughly estimated to be in the range of $2-$4 million.

(Board - 3/8/84)

Industrial Development Program - Resource Recovery - Essex County - Amendment to the Industrial Development Master Plan

It was recalled that the Board, at its meeting on July 12, 1979, adopted a master plan which identified the following sites for potential industrial development:

- Charleston, Staten Island, New York
- Doremus Avenue, Newark, New Jersey
- Greenville Yards/Claremont Terminal, Jersey City, New Jersey
- Hunts Point/Oak Point Yards Area, The Bronx, New York
- North Avenue, Elizabeth, New Jersey
- Sprink Creek, Brooklyn, New York

At its meeting on March 12, 1981, the Board amended the master plan to include the following additional sites:

- Bathgate, The Bronx, New York
- Kapkowski Road, Elizabeth, New Jersey

Subsequently, at its meeting on August 12, 1982, the Committee on Port Planning, pursuant to authorization by the Board, amended the master plan further to include the following additional site:

- Staten Island Industrial Park-East Side, Staten Island, New York

In addition, the Board, at its meeting on January 12, 1984, amended the master plan to include portions of four additional blocks within the Bathgate Industrial Park.

The Bathgate Project was certified by the Board as an additional facility of the Port Authority on October 28, 1981. On February 22, 1982 the Port Authority entered into an agreement with New York City and the New York City Public Development Corporation (PDC) concerning Port Authority development of at least three blocks of the original eight-block site. The PDC has completed and leased a building on one of the site blocks. The first Port Authority building on this site has been completed and leased and three other blocks are under construction by the Port Authority, two of which have been leased.

The Port Authority and the City of Elizabeth, New Jersey have entered into an agreement concerning the development of the Kapkowski Road site. Subsoil and pollutant tests have been conducted on this site and recommendations are being development for mitigation of contaminants found on the site. The feasibility of site development in light of the presence of contaminants is being studied.

(Board - 3/8/84)

The Teleport, to be located at the Staten Island Industrial park site, was certified by the Board as an additional facility of the Port Authority on June 9, 1983, subject to reaffirmation of such certification by the Committee on Finance. Such reaffirmation was made on December 8, 1983. The Port Authority, Merrill Lynch Telecommunications, Western Union Communications Systems and The City of New York have reached substantial agreement with respect to the development of The Teleport.

The industrial development legislation provides that the Port Authority may modify or change any part of its master plan in the same form and manner provided for the adoption of the original plan. Preparation of the original master plan included a process of consultation with public and private persons and organizations including the governing body of each municipality in which industrial development projects were proposed to be located, community planning boards and private real estate developers.

The original master plan also contained, among other things, the location of potential projects and facilities proposed to be developed, including to the maximum extent practicable, a general description thereof, the land use requirements necessary therefor, and estimates of project costs, of project employment potential, of a schedule for commencement of each project, of the revenues to be derived by municipalities from each project or facility, and of a description of any proposed additional arrangements with municipalities.

The Board, at its meeting on November 10, 1983, subject to appropriate authorizations and amendments to the master plan and subject to the ability of the Port Authority to make necessary certifications, including those necessary prior to the issuance of Port Authority Consolidated Bonds, authorized a project for the development of a resource recovery plant located in the Blanchard Street area of the City of Newark, County of Essex, and the negotiation of the agreements necessary to effectuate the project.

The Board, at its meeting on January 12, 1984, authorized the Executive Director to enter into an agreement with Browning-Ferris Industries (BFI) under which BFI would perform certain developmental design work in connection with the planning of such resource recovery plant at a cost to the Port Authority of approximately $1.8 million. The Port Authority expects to enter into such a developmental design contract with BFI providing for commencement of payment to BFI on October 1, 1984. If, however, a contract for the design and construction of a resource recovery plant is executed with BFI prior to September 30, 1984, payment for these services will be included in the design and construction contract and no payment will be made under the developmental design contract.

An amendment to the master plan has been prepared and is attached hereto. It contains information similar to the foregoing amendments with respect to the additional specific site in the vicinity of Blanchard Street, Newark, New Jersey, which is considered suitable for potential development.

It was therefore recommended that the Board authorize an amendment to the master plan setting forth potential industrial development sites to include a site in the City of Newark, generally bounded by the Passaic River, the New Jersey Turnpike, Raymond Boulevard and Blanchard Street and nearby or adjacent areas that may be required in connection with access-egress, for resource recovery purposes.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the master plan setting forth potential industrial development sites, as amended, be and it hereby is amended to include a site in the City of Newark, generally bounded by the Passaic River, the New Jersey Turnpike, Raymond Boulevard and Blanchard Street and nearby or adjacent areas that may be required in connection with access-egress, for resource recovery purposes.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

POTENTIAL INDUSTRIAL DEVELOPMENT SITES

AMENDMENT NO. 4

An Amendment to the master plan adopted in accordance with Chapter 651 of the Laws of New York (1978) and Chapter 110 of the Laws of New Jersey (1978).

March, 1984

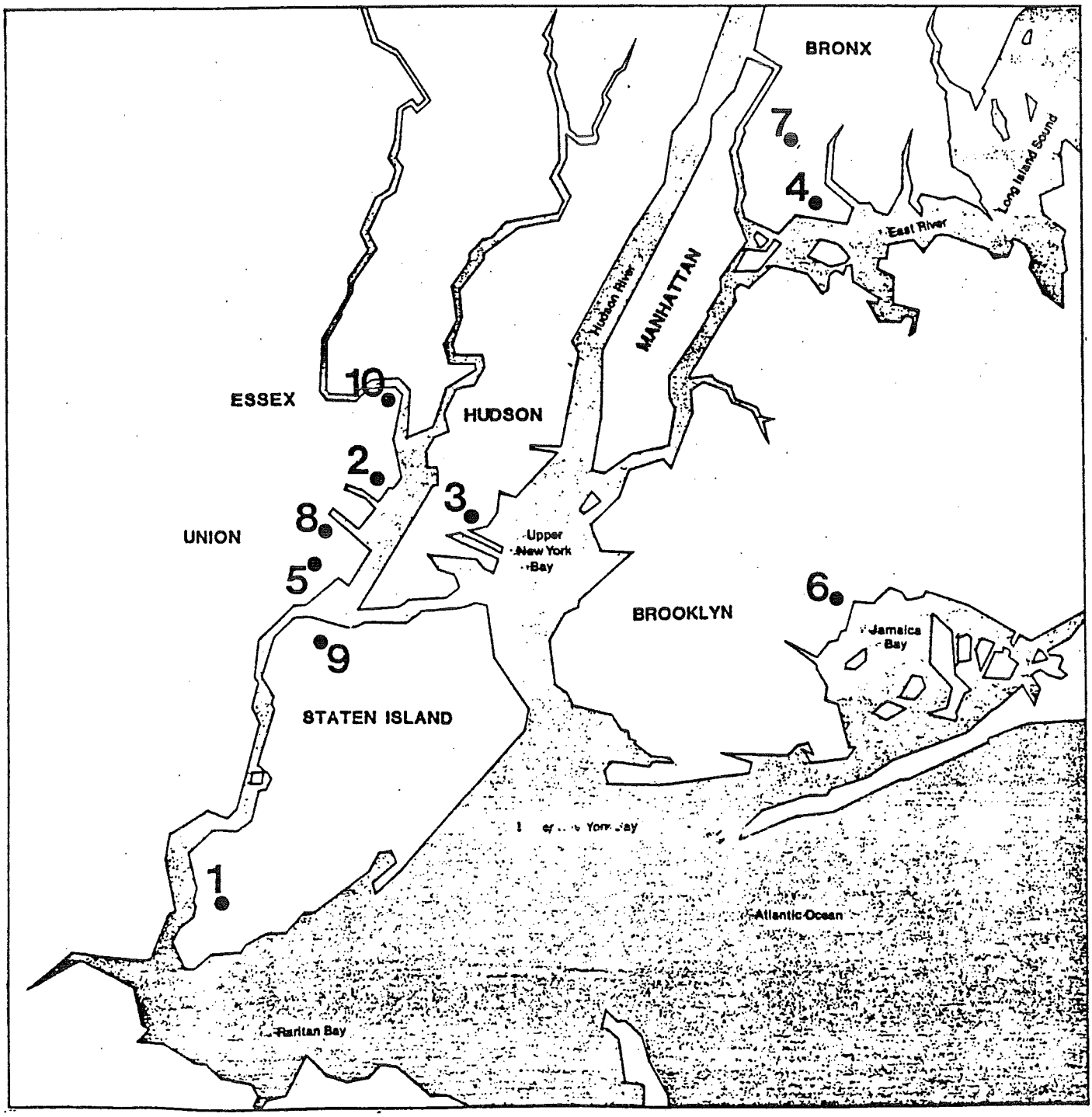
I. Introduction

The following pages are amendatory of and supplemental to the master plan adopted on July 12, 1979, and amended on March 12, 1981, August 12, 1982, and January 12, 1984. Except as otherwise amended herein, the provisions of that plan remain the same and apply to the Blanchard Street, Newark, New Jersey area now being included in the master plan.

PORT AUTHORITY INDUSTRIAL DEVELOPMENT -MASTER PLAN SITES

As Amended, March 1984

1–Charleston, Staten Island, NY
2–Doremus Avenue, Newark, NJ
3–Greenville Yards/Claremont Terminal, Jersey City, NJ
4–Hunts Point/Oak Point Yards, Bronx, NY
5–North Avenue, Elizabeth, NJ
6–Spring Creek, Brooklyn, NY
7–Bathgate, Bronx, NY
8–Kapkowski Road, Elizabeth, NJ
9–Staten Island Industrial Park East, Staten Island, NY
10–Blanchard Street, Newark, NJ



BLANCHARD STREET
CITY OF NEWARK, NEW JERSEY

LOCATION: The resource recovery plant area is located on a parcel of approximately 25 acres in the City of Newark's East Ward, in the County of Essex, New Jersey (See Figures 1 & 2). The location of the plant area and areas over which access and egress may be provided are generally bounded by the Passaic River on the north, the New Jersey Turnpike on the east, Raymond Boulevard and the Pulaski Skyway on the south, and Blanchard Street on the west, and may include adjacent or nearby areas for access-egress (collectively the "site." See Figure 5.) Directly across the Passaic River from the site is the Kearny Landfill (MSLA-1-D).

LAND USE: The site is located in a portion of Newark's East Ward which is predominantely industrial in character. Properties bordering the site to the west and south along Blanchard Street and Raymond Boulevard are used for heavy industrial, warehousing and trucking operations. Properties to the east of the site consist of the New Jersey Turnpike right-of-way and the Public Service Electric and Gas Company's Essex Switching Station. North of the site is the Passaic River and on the opposite bank of the River are the Port Authority Trans-Hudson and Amtrak rail lines. (see Figure 3) There are no existing residences on any side of the site proper or within a one-quarter mile radius of the site.

The plant area is currently vacant and covered by dense vegetation. Other than its use as a railroad and pipeline right-of-way, the plant area has remained largely vacant over the years, with the exception of a period during the mid-1960's when portions of the location for the plant area were used for the storage of abandoned automobiles. The only structure on-site is the ruins of an abandoned gas metering station on the south side of the plant area.

ZONING AND OWNERSHIP: The site and surrounding area within one quarter mile radius are zoned I-3 by the City of Newark. This zoning category would allow the use of the site for a resource recovery plant.

The site is also within the boundaries of the 1,500 acre NJ-121 Urban Renewal Project which calls for the acquisition and development of parcels for approved industrial and commercial purposes. The Newark Redevelopment and Housing Authority, the public agency charged with the Urban Renewal Plan implementation, is current owner of the plant area location.

TRANSPORTATION: Transportion access to and from the site is excellent. Arterial highways in the immediate surrounding area include the New Jersey Turnpike (I-95), Interstate 280, and the Pulaski Skyway (US 1 & 9). Interchange 15W of the New Jersey Turnpike lies to

the northeast of the site. Interchange 15E with Doremus Avenue and Raymond Boulevard is southeast of the site. Blanchard Street, which runs from Raymond Boulevard northward to the Passaic River, is presently the only access road to the site. Vehicular access to the site from the immediate Newark area is available by way of Raymond Boulevard and Market and Ferry Streets to Blanchard Street.

Roadway modifications planned for the Turnpike Interchange by the New Jersey Department of Transportation would improve traffic flows in the vicinity of the site. Additional roadway connections are being planned to provide direct exclusive site access and egress for plant generated traffic.

An active ConRail freight railroad spur lies adjacent to the southern perimeter of the plant site and serves nearby industry. Real property interests in this ConRail property as well as City owned, privately owned property and other property, adjacent to or nearby the plant area, may be required in connection with access and egress. New Jersey Transit Corporation presently runs bus service along Market Street to Ferry Street and Raymond Boulevard to and from downtown Newark.

UTILITIES:

Water Supply - The site is served by the City of Newark's water distribution system consisting of both high and low pressure mains in Raymond Boulevard and along Blanchard Street. Both system capacity and pressure are adequate for anticipated resource recovery plant needs.

Sanitary Sewer - The site is located in an area of Newark served by separate City sanitary sewers. The existing system along Blanchard Steet transports sewage to major trunk sewers leading to the Passaic Valley Sewage Commission's treatment plant on Wilson Avenue in Newark, about 1.5 miles southwest of the site.

Storm Drainage - There is no existing Newark storm drain system currently serving the site. Stormwater runoff from the site currently flows overland to the Passaic River along a central ditch and swales. This existing drainage pattern would require redirection to accommodate site development.

Gas - Natural gas transmission lines, owned by Transco and Public Service Electric and Gas (PSE&G), run the full length of the site within a 60 ft. wide easement along the eastern site boundary.

Electrical Power - Adequate electrical power, supplied by PSE&G, is available to the site.

SOIL CONDITIONS: The entire plant site was once a tidal marsh that has been reclaimed for development. Areas of the site have been filled in the past with rubble and construction debris. Hence, much of the site exhibits poor soil bearing capacity, requiring stabilization by piling prior to construction.

ENVIRONMENT: A draft environmental impact statement (EIS) for the resource recovery plant - Essex County in conformance with the New Jersey Department of Environmental Protection's (DEP) environmental and solid waste disposal standards, has been prepared and submitted to DEP for its review. The draft EIS addresses the environmental, economic, technical, social and energy related elements of the proposed project, their impacts and alternatives, and possible ways in which some elements can be modified.

LABOR: Approximately 164,000 people comprise the labor force in the City of Newark, as of April, 1982. The City's residents experienced an unemployment rate of 14%, compared to 7% for the region.

POTENTIAL DIRECT EMPLOYMENT: A total of approximately 60 operating, maintenance, and administrative staff are expected to be employed at the resource recovery plant planned for the site.

ESTIMATED PROJECT COSTS: Approximately $260 million.

ESTIMATED SCHEDULE OF COMMENCEMENT: Project construction is scheduled to start in 1984 and last 36 months. The plant will be operated under a contract with a system vendor for a period of approximately 20 years.

OTHER CONSIDERATIONS: Contract negotiations with the County of Essex, the City of Newark, PSE&G, and Browning-Ferris Industries, the selected system vendor, are presently underway.

The development of this project would be undertaken by the Port Authority subject to the appropriate authorization and certifications including those necessary prior to the issuance of Consolidated Bonds.

GOVERNMENT AND COMMUNITY CONSULTATION AND PARTICIPATION

To assist the Port Authority in the preparation of the master plan, discussions and consultations were held with individuals and groups including:

The Governors of New York and New Jersey

Members of the New Jersey State Legislature

Mayors of New York, Elizabeth, and Newark

Mayors of other Essex County Municipalities

Newark City Council

County Executive of Essex

Essex County Board of Chosen Freeholders in New Jersey

Community Groups

New Jersey Department of Environmental Protection

A wide cross section of community groups and individuals were interviewed by the consultant to Essex County. In addition, meetings were held by staff of the Port Authority and by staff of the County Executive of Essex with a wide cross section of the Newark community . Reactions from these groups and individuals concerning the Resource Recovery Plant - Essex County were mixed. Concerns were expressed, primarily by residents of the Ironbound Section of Newark, about environmental matters and truck routes. Others expressed their confidence in the Port Authority's project involvement and cited their confidence in Port Authority competence and professionalism.

TECHNICAL AMENDMENTS

COVER PAGE

Delete words "Urban"

Replace word "Park" with "Development"

FIGURE 1: MAP OF NEW JERSEY

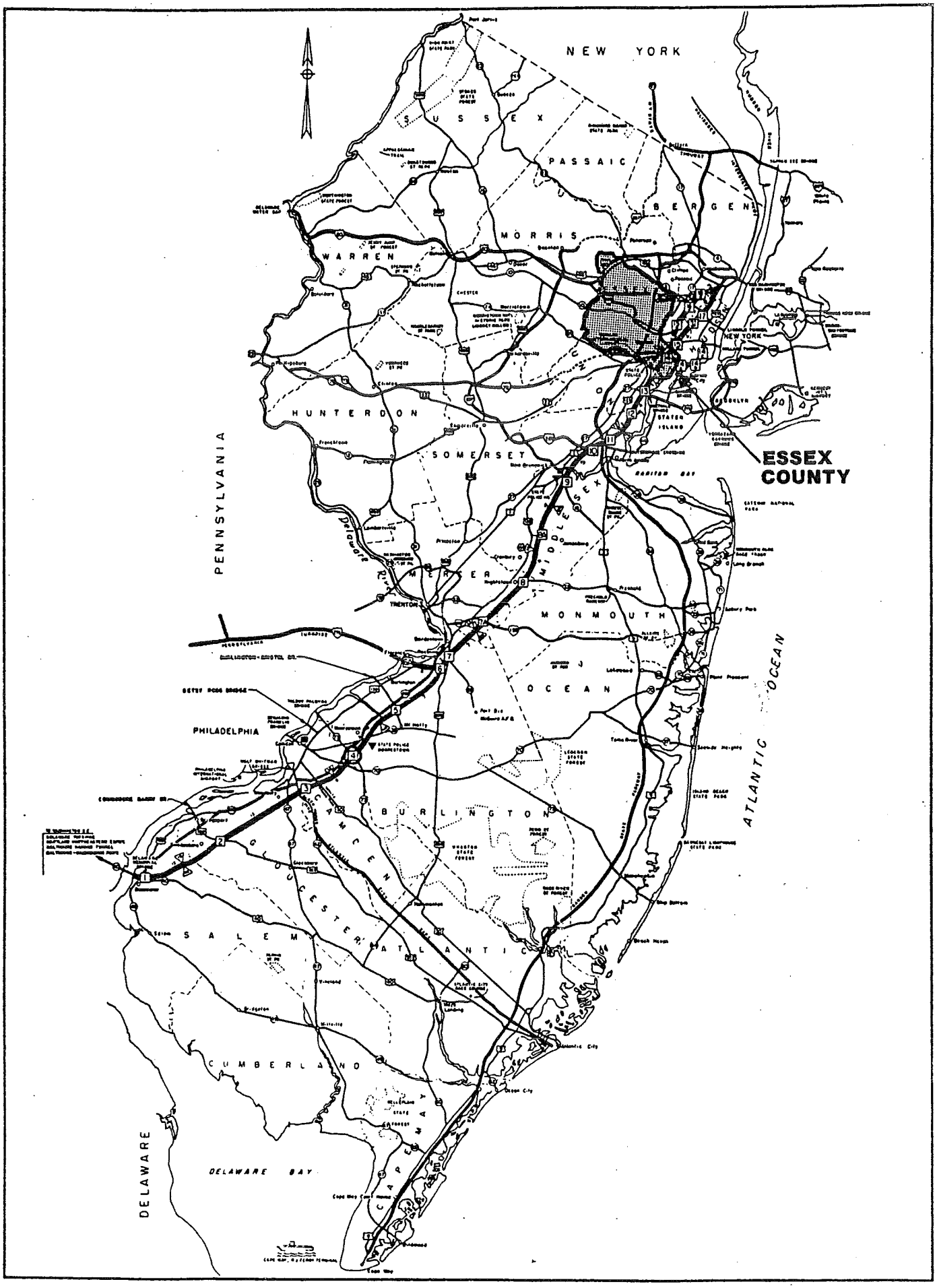


FIGURE 2: MAP OF ESSEX COUNTY

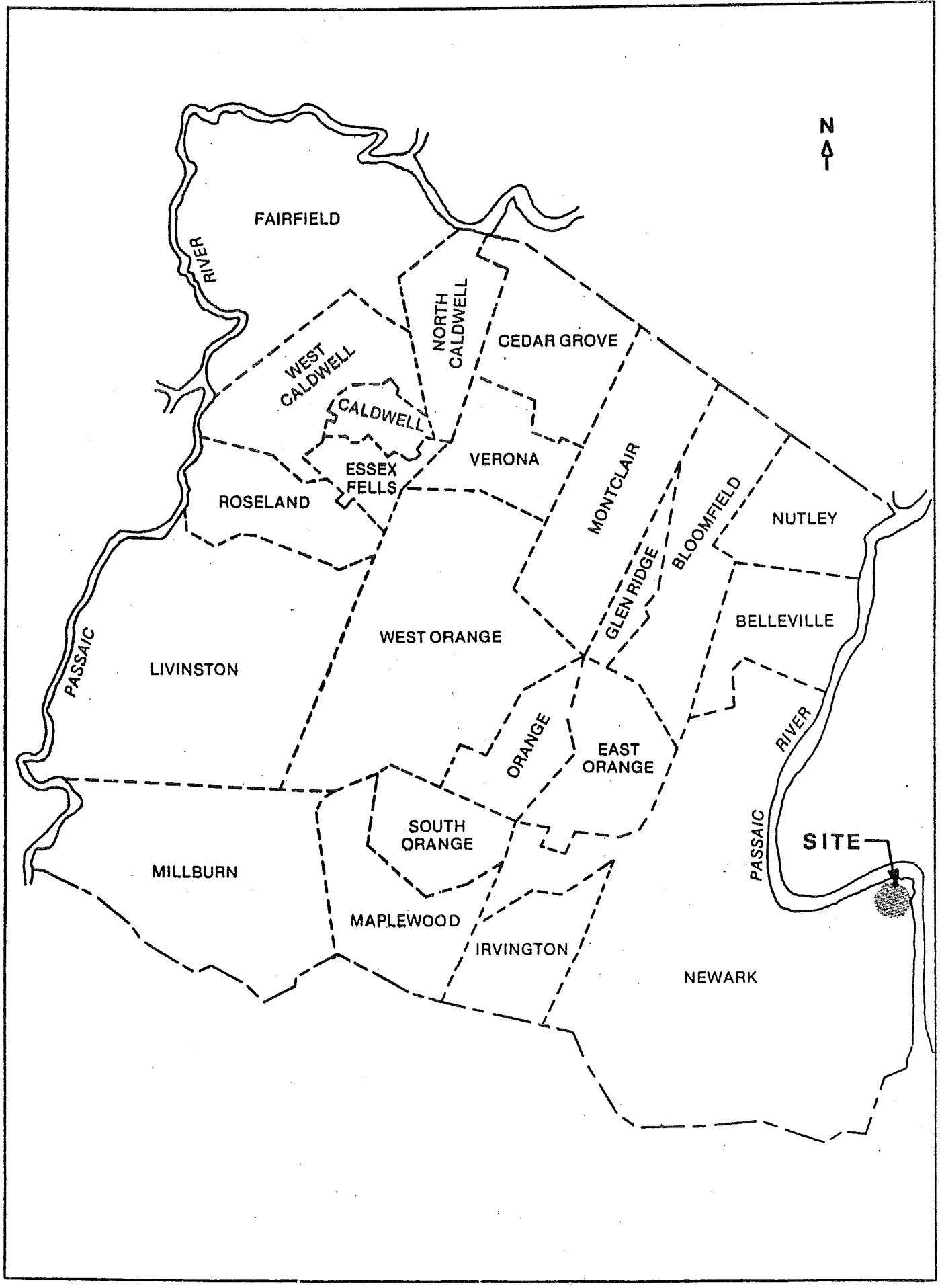


FIGURE 3: MAP OF PLANT AREA AND VICINITY (156)

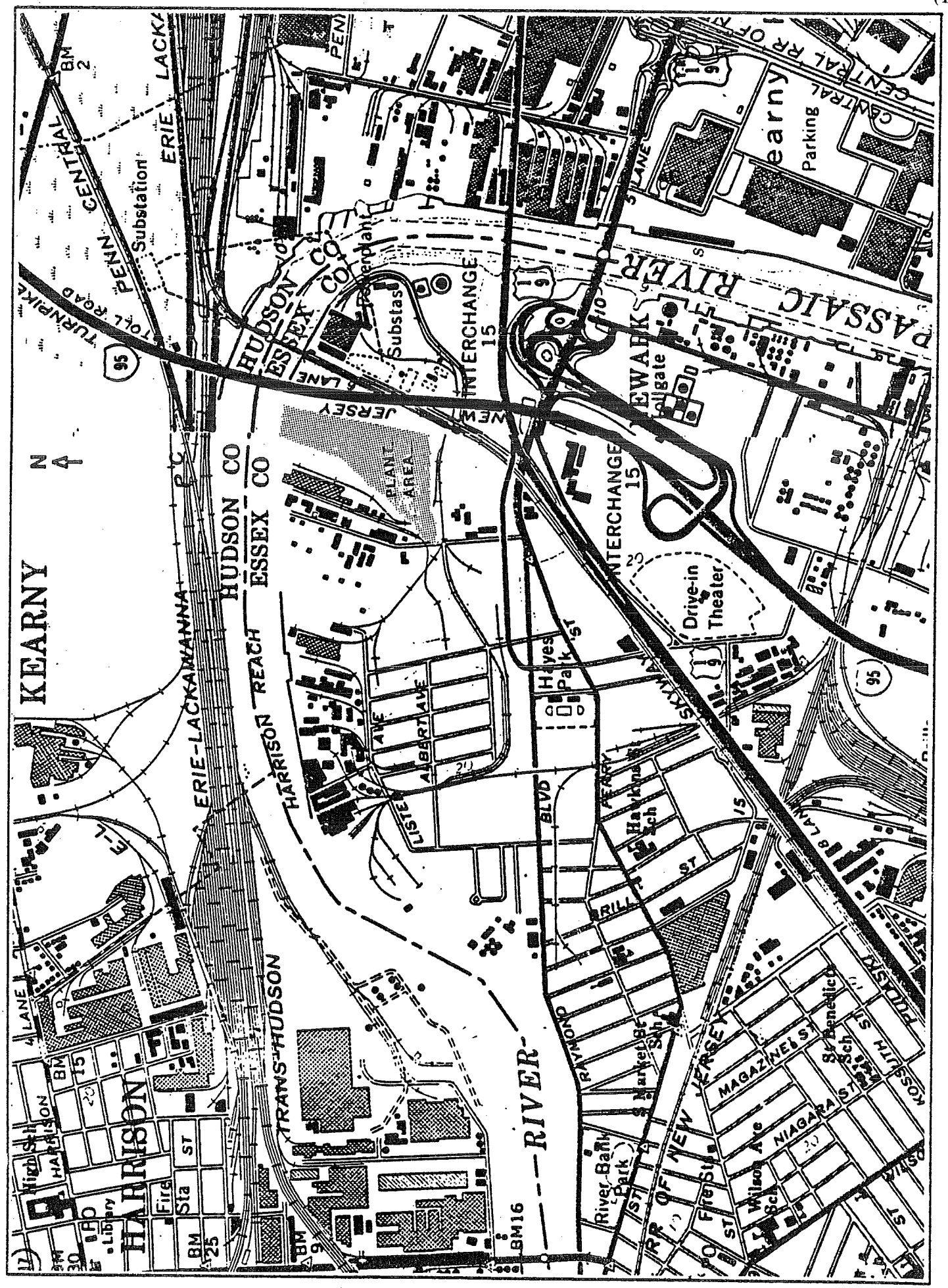


FIGURE 4: NEWARK TAX MAP

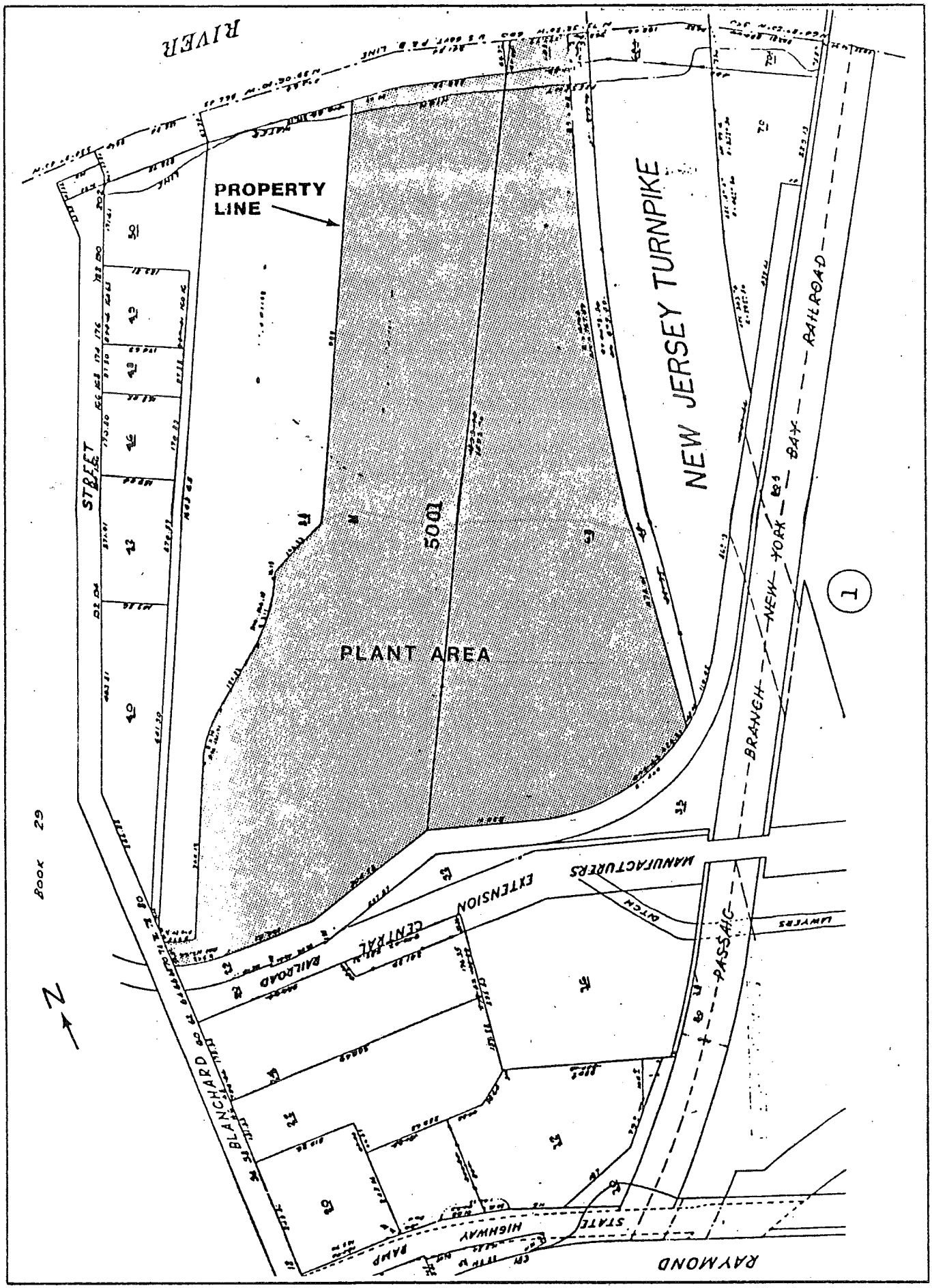
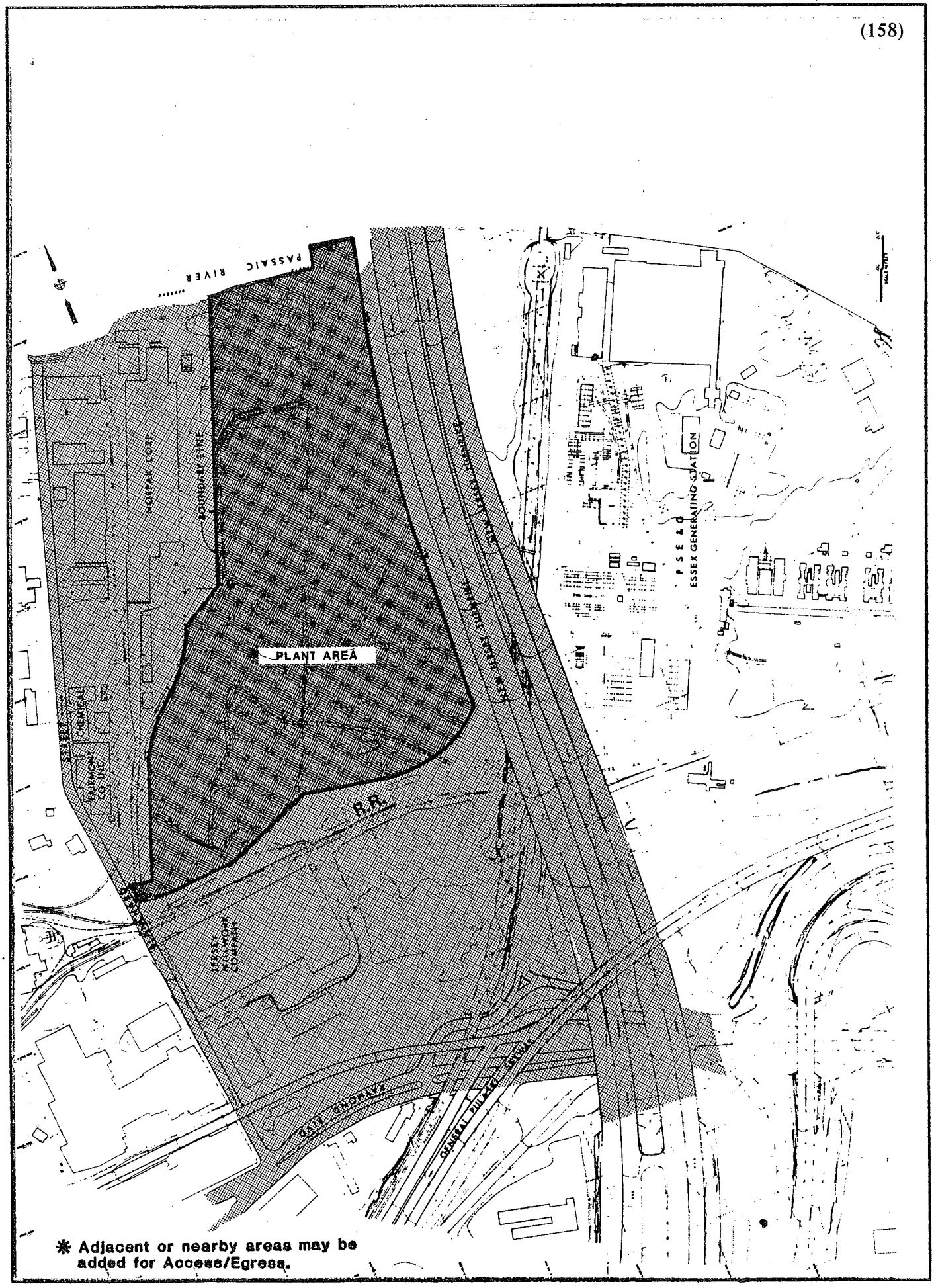


FIGURE 5: RESOURCE RECOVERY SITE*



* Adjacent or nearby areas may be added for Access/Egress.

(Board - 3/8/84)

Bathgate Industrial Park - Amendment to Lease and Financing Agreement with South Bronx Greenhouse, Inc.

It was reported that the Board, at its meeting on June 9, 1983, authorized the Executive Director to enter into a lease and financing agreement with South Bronx Greenhouse, Inc. (SBG) for a food production and processing facility on Block 2919 in the Bathgate Industrial Park, for an initial term of 25 years commencing upon completion of construction by the lessee.

The Executive Director executed the lease with SBG on October 7, 1983. Construction began on the facility in December 1983 and is expected to be completed in June 1984. The lease provides that the Port Authority would finance the major portion of and own the physical facilities erected and installed on Block 2919. SBG, subject to Port Authority controls and supervision, would contract for the construction and equipping of the facilities. SBG would lease the facility and repay the Port Authority at a 12½% annual rate of return for the construction monies advanced. SBG would have the right to renew at the end of the initial term and buy-out rights during the term.

The provision in the June 9, 1983 Board authorization which states that "the Port Authority would finance the major portion of and own the physical facilities on Block 2919," seriously limits the ability of SBG to raise the additional private equity capital which was anticipated in the original project economics. By amending the lease to provide for SBG ownership of all or a portion of the greenhouses and equipment, (all of the greenhouses and equipment being valued at approximately $600,000) and the Port Authority during the term of the financing retaining a security interest in the greenhouses and equipment ownership of which has been transferred to the lessee, SBG will be able to raise in excess of $100,000 in additional private capital. The Port Authority would retain ownership of the central processing building.

SBG has experienced a substantial increase in market share since the execution of the lease in October 1983. It has more than doubled its sales since October and sales are expected to exceed $40,000 for the month of March 1984. This is the result of aggressive and effective marketing and management strategies that SBG has employed during the period. Upon completion of the new facility on Block 2919, it is anticipated that market share and sales and profit margins will increase at an even faster rate due to much greater availability of product quantity and varieties to service new and existing clients.

Private investors have been identified as a source of equity financing. The proposed amendment to the lease would enable SBG to enter into arrangements with these investors.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with South Bronx Greenhouse, Inc. amending the existing lease and financing agreement in accordance with the terms and conditions outlined above.

(Board - 3/8/84)

Whereupon, the following resolution was unanimously adopted, Commissioner Glucksman abstaining:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement with South Bronx Greenhouse, Inc. (SBG) amending the existing lease and financing agreement with SBG to provide for a transfer of title from the Port Authority to the lessee of all or a portion of the greenhouses and greenhouses' equipment installed or erected on the leased premises, the Port Authority during the term of the financing to have a security interest in all the greenhouses and equipment title to which has been transferred to SBG; and it is further

RESOLVED, that the form of the aforementioned agreement be subject to the approval of General Counsel or his designated representative.

(Board - 3/8/84)

Engineering Department - Retention of Professional Services on an As-Needed Basis for the Aviation, Economic Development and Rail Transportation Departments

It was reported that the Board, at its meeting on December 8, 1983, as part of an overall authorization to the Chief Engineer to retain professional services on an as-needed basis, authorized the Chief Engineer to retain various temporary help (job shop) and technical service firms, using specified selection criteria and methods, to furnish professional and technical personnel for the Design, Construction, Materials and Traffic Divisions of the Engineering Department on an as-needed basis for the 1984 calendar year, at an aggregate compensation estimated at $4.2 million.

The Aviation, Economic Development and Rail Transportation Departments have determined that using temporary help firms to furnish individuals to perform a wide variety of tasks related to functional planning on an as-needed basis would help these line departments to meet priority workload requirements which cannot be performed by permanent staff in these departments.

The Aviation Department requires such temporary help to work on development and expansion plans for the airports. Specific projects include: Phases II and III of the Airport Master Plan; Central Terminal Area Development Plans at Kennedy International Airport, Central Terminal Building maximization and possible expansion at LaGuardia Airport; and Terminal Development at Newark International Airport. The Economic Development Department plans to use temporary help to provide technical assistance and to supplement planning staff in the Bathgate, Elizabeth, Howland Hook, Resource Recovery and Waterfront Development units. The Rail Transportation Department will use such temporary help to work on PATH's Capital Improvement Program. Specific projects include such items as Car Acquisition and Rehabilitation, Electrical System Improvements, Station Improvements and Car Maintenance Facilities and Safety Programs.

During February 1984, the Executive Director authorized the Aviation, Economic Development and Rail Transportation Departments to retain firms to furnish temporary help (job shoppers) in the aggregate amount of $110,000 with the understanding that an authorization from the Commissioners would be sought for these and all other such temporary help requirements of the three departments for 1984. It is presently estimated that the requirements for such temporary help for the three departments for 1984 will aggregate $1 million, of which $550,000 will be required for the Aviation Department, $225,000 will be required for the Economic Development Department and $225,000 will be required for the Rail Transportation Department. The expenditures incurred under the Executive Director's recent authorizations to the three departments totalling $110,000 will be included in the $1 million to be expended under the aggregate authorization sought herein to retain firms to provide temporary help (job shoppers) for 1984. The same selection criteria as specified for retention of such temporary help in the December 8, 1983 Board authorization to the Chief Engineer and the same methods followed for retention of such temporary help will be used for retention of the services for which authorization is now being requested.

(Board - 3/8/84)

It was therefore recommended that the Board supplement its December 8, 1983 authorization to the Chief Engineer to retain various temporary help (job shop) firms, to permit the Chief Engineer to retain such firms to furnish professional and technical personnel for the Aviation, Economic Development and Rail Transportation Departments on an as-needed basis for the 1984 calendar year, at an aggregate amount presently estimated at $1 million.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the December 8, 1983 authorization to the Chief Engineer to retain various temporary help (job shop) and technical service firms to furnish professional help for the 1984 calendar year at an aggregate compensation then estimated at $4.2 million, be and it hereby is amended to authorize the Chief Engineer to retain, at an aggregate estimated additional compensation of $1 million, various temporary help (job shop) firms to furnish temporary professional help for the Aviation, Economic Development and Rail Transportation Departments.

(Board - 3/8/84)

Port Authority Bus Terminal - Walgreen Eastern Co., Inc. - Lease LBT-3 Supplement No. 21

It was recalled that the Board, at its meeting on May 24, 1950, authorized an agreement with Walgreen Eastern Co., Inc., an original tenant at the Bus Terminal, for the operation of a drugstore with fountain service. The Board subsequently, at its meetings held on February 3, 1972 and September 29, 1976, authorized extensions of this agreement. The present agreement which expires November 30, 1985 provides for a basic minimum rental of $225,000 per year against the sum of the following percentages of annual gross receipts: 12% for fountain and food gross receipts up to $500,000 and 14% in excess of $500,000; 5% for cigarettes; 7% for all other sales up to $500,000; 8% for all other sales up to $1,250,000 and 10% for all other sales over $1,250,000.

Negotiations have now been completed, subject to the approval of the Board, for an extension of the lease with Walgreen Eastern Co., Inc. to November 30, 1995. The extension agreement provides for the complete modernization of the store at Walgreen's sole cost and expense, including installation of a new store front, removal of a snack bar, interior renovation and refurbishing, and the rehabilitation of the heating, ventilation and air conditioning system, all at a minimum cost of $250,000. From and after the earlier of the completion of the tenant's renovation work or December 1, 1984, the tenant will pay a guaranteed minimum annual basic rental of $300,000 plus 10% of its annual gross receipts in excess of $3 million, the basic rental to be escalated on December 1, 1988 and December 1, 1992 by the percentage increase in the Consumer Price Index but in neither case to more than 80% of the previous year's actual rental paid to the Port Authority. The food and beverage service will be discontinued reflecting a company trend for the marketing of high value general merchandise. Under the extension agreement Walgreen Eastern Co., Inc. will pay for chilled water for air conditioning at an annual rate of $2.83 per square foot subject to annual escalation in accordance with the Consumer Price Index and will pay separately for hot and cold water and metered electricity. The lease will be subject to termination without cause by the Port Authority on 30 days' notice, in which event the tenant will be reimbursed for its unamortized investment not exceeding $300,000.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement on behalf of the Port Authority for an extension of the existing lease with Walgreen Eastern Co., Inc. at the Port Authority Bus Terminal to November 30, 1995, upon terms and conditions outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement with Walgreen Eastern Co., Inc. extending its lease at the Port Authority Bus Terminal to November 30, 1995,

the extension agreement providing for the complete modernization of the store at Walgreen's sole cost and expense, including installation of a new store front, removal of a snack bar, interior renovation and refurbishing, and the rehabilitation of the heating, ventilation and air conditioning system, all at a minimum cost of $250,000; from and after the earlier of the completion of the tenant's renovation work or December 1, 1984, the tenant to pay a guaranteed minimum annual basic rental of $300,000 plus 10% of its annual gross receipts in excess of $3 million, the basic rental to be escalated on December 1, 1998 and December 1, 1992 by the percentage increase in the Consumer Price Index but in neither case to more than 80% of the previous year's actual rental paid to the Port Authority; the agreement to provide that the food and beverage service will be discontinued and that the tenant will pay for chilled water for air conditioning at an annual rate of $2.83 per square foot, subject to annual escalation in accordance with the Consumer Price Index, and will pay separately for hot and cold water and metered electricity; the lease to be subject to termination without cause by the Port Authority on 30 days' notice, in which event the tenant will be reimbursed for its unamortized investment not exceeding $300,000; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

Whereupon, the meeting was adjourned.

_____

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, March 15, 1984

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, March 15, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Robert F. Wagner, Vice-Chairman
Robert V. Van Fossan	James G. Hellmuth
Philip D. Kaltenbacher	Lewis L. Glucksman
William K. Hutchison	John G. McGoldrick
Henry F. Henderson, Jr.	Howard Schulman

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel and Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Director of Public Affairs
Barry Weintrob, Assistant Director of Finance

The meeting was called to order by the Chairman.

The Secretary reported that the meeting was duly called in accordance with the By-Laws.

(Board - 3/15/84)

Newark International Airport - Airline Lease - People Express Airlines, Inc. - Terminal C

It was recalled to the Board that at its meeting on March 9, 1967 it had authorized a project for the redevelopment of Newark International Airport including the construction of new passenger terminal facilities. As part of the leases and Memorandum of Understanding Agreements, the Port Authority was responsible for constructing the passenger terminal "shells" and the airlines were responsible for completing their finishes.

Terminals A & B were finished as planned and occupied by the lessees. The shell of Terminal C was completed by the Port Authority; however, the three airlines who had agreed to complete the C-1 portion of Terminal C chose not to finish their areas and the Board, at its meeting on March 8, 1984, authorized agreements providing for the release of these carriers from their Terminal C commitments.

In the meantime negotiations with People Express Airlines, Inc. have progressed to the point where an understanding has been reached concerning an agreement which would have the carrier construct the finishes of approximately two-thirds of Terminal C (i.e., the C-1 and C-2 portion as defined by lease exhibit). Once completed, People Express would relocate its entire flight operation to the Terminal C facility.

As contemplated, the proposed lease covering Terminal C would contain all aspects of the arrangement, including the following major terms:

– The lease would be with a Trust to be established by the Port Authority and People Express, which Trust would be under the control of People Express unless stipulated events occurred, in which event control would go to the Port Authority. People Express would occupy the Terminal C space under a 30-day or month-to-month arrangement from the Trust.

– The lease would expire 25 years after the completion of Phase 1 construction or January 1, 1986, whichever date occurs first.

– The cost of the construction of the finishes and improvements, including the cost of architectural and engineering services, would be provided by the Port Authority up to $150 million in payments to contractors. Should the cost exceed $150 million, People Express would have no right to any further amounts, but the Executive Director may authorize additional payments up to a maximum of $175 million. Funding would be limited to facilities of a nature usable by any scheduled airline.

– Interest on the cost advanced would be at a percentage rate which provides coverage of between 1.2 and 1.3 times Port Authority financing. Accrued interest would be capitalized. Repayment of the cost of construction plus accrued interest would be made over the lease term commencing upon completion of the Phase 1 construction or January 1, 1986, whichever is earlier (the rental commencement date) together with on-going interest. Payment of on-going interest would be deferred for the first 12 months after the rental commencement date and this deferred amount then would be paid over the period through December 31, 1998, together with on-going interest.

– Commencing on the rental commencement date and continuing through December 31, 1993 there would be a rental for the shell at the rate per year of $7.20 per square foot of space and a rental for the gates of $509,200 per year with provisions for certain rental adjustments and contingency payments from January 1, 1994 through the end of the lease as indicated in Attachment A hereof. On or after December 31, 1998, the airline would have a one-time option to terminate the lease in whole or in part by giving two years notice to the Port Authority upon terms to be set forth in the lease. The airline would be charged airport services and heat and air conditioning costs in accordance with the established Terminal A & B lease formula.

– People Express would assume the complete responsibility for the operation, maintenance and repair of the Terminal C leasehold, except that it would have an option to require the Port Authority to take over operations and maintenance functions on a reimbursable basis. Capital costs of providing fuel line service for 19 gates for C-1 and C-2 will be charged in accordance with the established Terminal A & B lease formula; any additional capital costs of providing fuel line service would be the obligation of People Express. All other costs of fuel line service would be charged in accordance with the established Terminal A & B lease formula.

– The Port Authority would control those consumer services in Terminal C which are comparable to those in Terminals A & B, and the fee structure would be the same as in the Terminal A & B leases. For consumer services which are not comparable to those in these terminals and which are approved by the Port Authority, agreement would have to be reached on the fees and their sharing.

– People Express would be required to commit itself to an extensive program of Affirmative Action in connection with its construction work, subsequent operation and maintenance of the facilities and in the award of concessions. If utilization of its Terminal C space by People Express falls below levels to be specified by the Port Authority, the leasehold area may be reduced commensurately. Moreover, if People Express has under-utilized facilities for which there is a demand by other carriers, the Port Authority may direct People Express to accommodate such operations. There would also be provisions in the lease for termination by the Port Authority in the event there is a substantial change in the ownership or control of People Express.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into a Trust Agreement with People Express Airlines, Inc. and a Trustee to be selected by them to establish a Trust and to enter into a lease with the Trust covering the occupancy of Terminal C at Newark International Airport, all in accordance with the foregoing.

(Board - 3/15/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a Trust Agreement with People Express Airlines, Inc. and a Trustee to be selected by the Port Authority and People Express, which Trust would be under the control of People Express unless stipulated events occurred in which event control would go to the Port Authority, the Trust to be the tenant under the lease hereinafter described; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a lease with the Trust under which the Port Authority leases to the Trust approximately two-thirds of Terminal C at Newark International Airport including the C-1 and C-2 portions thereof, with People Express to be responsible for the construction of the finishes and improvements thereof, the term of the lease to expire 25 years after Phase 1 of the construction is substantially completed or January 1, 1986 whichever occurs first (the rental commencement date), the Port Authority to advance the cost of construction of the finishes and improvements including the cost of architectural and engineering services up to $150 million with the authority in the Executive Director if the cost exceeds $150 million to authorize additional payments up to a maximum of $175 million in payments to contractors, plus accrued interest which is to be capitalized, funding to be limited to facilities of a nature usable by any scheduled airline, with interest on the cost advanced to be at a percentage rate which provides coverage of between 1.2 and 1.3 times Port Authority financing, and with repayment of the cost of construction plus accrued interest to be made over the lease term commencing upon the rental commencement date with on-going interest, but with payment of on-going interest to be deferred for the first 12 months after the rental commencement date with this deferred amount then to be paid over the period through December 31, 1998 with on-going interest, and commencing on the rental commencement date and continuing through December 31, 1993, a rental for the shell at the rate of $7.20 per year per square foot of space and a rental for the gates of $509,200 per year with provisions for certain rental adjustments and contingency payments from January 1, 1994 through the end of the lease term as indicated in Attachment A hereof, and from and after December 31, 1998 People Express to have a one-time option to terminate the lease in whole or in part by giving two years notice to the Port Authority upon terms to be set forth in the lease, People Express to be charged airport services and heat and air conditioning costs in accordance with the established Terminal A & B lease formula, with People Express to have complete responsibility for the operation, maintenance and repair of the Terminal C leasehold except that it would have an option to require the Port Authority to take over the operation and maintenance functions on a reimbursable basis, with the capital costs of providing fuel line service for 19 gates for C-1 and C-2 to be charged in accordance with the established Terminal A & B lease formula and any additional capital costs of providing fuel line service to be the obligation of People Express and with all other costs of fuel line service to be charged in accordance

with the established Terminal A & B lease formula, the Port Authority to control consumer services in Terminal C which are comparable to those in Terminals A & B with the fee structure to be comparable to the Terminal A & B leases, and with consumer services which are not comparable to those in Terminals A & B and which are approved by the Port Authority to be subject to agreement on fees and their sharing, People Express to be required to commit itself to an extensive program of Affirmative Action in connection with its construction work, operation and maintenance of facilities and in the award of concessions, and the Port Authority to have the right to reduce the leasehold area if utilization of People's Terminal C space falls below specified levels and to require People Express to accommodate the demands of other carriers if People Express has under-utilized facilities, with provisions for termination of the lease by the Port Authority in the event there is a substantial change in the ownership or control of People Express, People Express to occupy its Terminal C space pursuant to a 30-day or month-to-month agreement with the Trust; and it is further

RESOLVED, that the terms and conditions of the lease and Trust Agreement and the appointment of a Trustee shall be subject to the final approval of the Committee on Finance; and it is further

RESOLVED, that the forms of the aforesaid agreements shall be subject to the approval of General Counsel or his designated representative.

Whereupon, the meeting was adjourned.

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Secretary

ANNUAL LEASE RATES

	Commencement Date-12/31/93	1/1/94 - 12/31/98	1/1/99 - 12/31/01	1/1/02 - 12/31/03	1/1/04 - 12/31/04	1/1/05 - 12/31/07	1/1/08 - 12/31/10
SHELL RENTAL							
Base	$7.20/sq.ft. +$26,800/Gate	$7.20/sq.ft. +$26,800/Gate	ADJ. 1 →			ADJ. 2 →	
*Contingency		$8.00/sq.ft. +$29,800/Gate					
FINANCING REPAYMENT							
Base	$16.5M	$16.5M	$21.0M	$27.0M	$27.0M	$27.0M	$35.0M
**Contingency	"	"	"	$43.0M	$43.0M	$43.0M	$43.0M

Notes on SHELL RENTAL:

- *Contingency rental levels payable 1/1/94 - 12/31/98 if average annual increases in CPI 1/1/86 - 12/31/93 exceed 6%
- ADJUSTMENT 1 rental = previous BASE rental X ½ of % change in CPI 1/1/94 - 12/31/98 (but not less than $8.00/sq.ft. + $29,800/Gate)
- ADJUSTMENT 2 rental = ADJUSTMENT 1 rental X ½ of % change in CPI 1/1/99 - 12/31/04

Notes on FINANCING REPAYMENT:

- ** Contingency repayment levels apply if average annual increases in CPI 1/1/92 - 12/31/01 exceed 8%.

(assumes $150,000,000 financing amount – rates proportional to the following will be established based upon the actual financing amount as specified above).

ATTACHMENT A

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, April 12, 1984

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MINUTES of Annual meeting of The Port Authority of New York and New Jersey held Thursday, April 12, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Robert F. Wagner, Vice-Chairman
Jerry Fitzgerald English	William J. Ronan
Robert V. Van Fossan	James G. Hellmuth
Philip D. Kaltenbacher	John G. McGoldrick
William K. Hutchison	Howard Schulman
Henry F. Henderson, Jr.	

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel and Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Anthony J. Barber, Deputy Director of Tunnels, Bridges and Terminals
Robert F. Bennett, Assistant Executive Director/Chief Financial Officer
John J. Collura, Manager, Accounting Division, Comptroller's
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director and Director of Administration
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
Philip LaRocco, Director of Economic Development
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Katharine B. MacKay, Executive Assistant to Executive Director
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Assistant Chief Financial Officer
Rino M. Monti, Chief Engineer
Edward J. O'Malley, Director of Personnel
Martin E. Robins, Director of Planning and Development
Bernard J. Schuman, M.D., Medical Director
Victor T. Strom, Director of Public Safety
Anthony J. Tozzoli, Port Director
Guy F. Tozzoli, Director of World Trade
Barry Weintrob, Finance Director/Comptroller
Marshal L. Wilcox, Jr., Treasurer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs
Joel J. Rogoff, Partner, Touche Ross & Co.
Linda Murphy, Audit Supervisor, Touche Ross & Co.

The meeting was called to order by the Chairman. The Chairman announced, "The requirements of the Port Authority's By-Laws with respect to the Annual Meeting having been met, we may now proceed to the regular order of business."

(Board - 4/12/84)

Report of Independent Auditors

The Board received a report of Touche Ross & Co., Independent Auditors, as presented by Mr. Joel J. Rogoff. The report which follows was ordered spread upon these Minutes of the Board.

"We have completed our examination of the consolidated financial statements of The Port Authority of New York and New Jersey and its subsidiary, Port Authority Trans-Hudson Corporation, for the year ended December 31, 1983. We made a similar examination of the 1982 financial statements. Our report dated February 24, 1984, on the comparative financial statements, appears on page 20 of the Port Authority's 1983 Annual Report. Our examinations were conducted in accordance with generally accepted auditing standards. Our opinion states that the Port Authority's financial statements are fairly presented in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our opinion also states that Schedules A, B and C are fairly presented in conformity with the requirements of law and the Port Authority's bond resolutions which have been applied on a basis consistent with that of the preceding year.

"Concurrently with our examination of the annual financial statements, we also studied and evaluated the Port Authority's system of internal accounting control. Our report dated November 29, 1983, on the adequacy of the Port Authority's system of internal accounting control, appears on page 19 of the Annual Report. In our opinion, the Port Authority's system of internal accounting control, taken as a whole, which was in effect at October 31, 1983, was sufficient to meet such system's objectives; that is, to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and, where appropriate, in accordance with the Port Authority's bond resolutions.

"In addition, we issued a report on the Special Reserve Fund in Trust which certifies to Citibank N.A., as Trustee, that there are adequate funds in the Trust as of December 31, 1983, to retire the outstanding General and Refunding Bonds as scheduled. We also issued two net revenue reports in accordance with lease agreements between the Port Authority and the City of New York and the City of Newark.

Meetings with the Audit Committee:

"On October 13, 1983, we met with the Audit Committee and reviewed the audit approach that we designed for our examination of the Port Authority's 1983 financial statements. Our approach to the audit included reviewing and documenting the Port Authority's accounting systems, and identifying the systems' key controls. Our audit plan also provided for utilizing, where possible, the Port Authority's internal audit department and the financial accounting staff. Our examination was performed and completed pursuant to that audit plan.

"Based on the results of our study and evaluation of the system of internal controls, including the controls in the data processing area, we developed recommendations for strengthening the system and made suggestions with respect to accounting and financial reporting. We discussed our comments and recommendations together with management's responses with the Audit Committee on December 8, 1983. At that meeting, we also reviewed our report on the Port Authority's system of internal accounting control.

"We completed our field work with respect to the 1983 audit on February 24, 1984, and on February 29, 1984 met with the Audit Committee to review the draft of the Port Authority's 1983 financial statements, requisite footnote disclosures and our opinion on those financial statements.

Financial Reporting Highlights:

"We worked with the Port Authority's staff with respect to the accounting treatment for several financial matters which are reflected in the 1983 Annual Report. Among these financial matters are the issuance of Delta Special Project Bonds, the establishment of the Fund for Regional Development, and the Transit Authority's action relating to certain of the buses provided under the Port Authority's Bus Programs.

Other Matters:

"During the year, there were several meetings held with Port Authority management, at which various accounting and financial reporting matters were discussed. changes in professional pronouncements and accounting principles during 1983 did not have any effect on the Port Authority's financial statements.

"We received the complete cooperation of Port Authority management and employees. There were no restrictions placed on our approach or the scope of our examination. We were given access to all individuals, records, documents, and other supporting data which we requested, and our inquiries were satisfactorily answered.

"We appreciate the opportunity to appear before you and would be pleased to answer any questions you may have pertaining to the financial statements, our approach and the scope of the 1983 audit, and the reports which we issued with respect to the Authority's system of internal accounting control and annual financial statements."

Action on Minutes

The Secretary submitted for approval Minutes of the meetings of March 8 and March 15, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on April 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on April 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee of Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on April 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on April 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Newark International Airport - Terminal C - International Departure Facilities - Project Authorization

It was reported that the Board, at its meeting on September 10, 1981, authorized a project for the relocation of Federal Inspection Services from the North Terminal to Terminal C at Newark International Airport, including the construction of new international arrival facilities. This project is consistent with the Port Authority's strategic plan for promoting the utilization of the airport by providing modern, state-of-the-art international arrival facilities to stimulate international operations in the new Central Terminal Area. These facilities are currently under construction and are scheduled to become operational on or about June 1, 1984.

Considering the recent substantial growth in traffic at Newark International Airport, which the Port Authority anticipates will attract more international flights in the future, staff deems it prudent to continue the strategic plan to enhance international use of the airport by proceeding expeditiously with the construction of the international departure facilities immediately over and adjacent to the arrival area. This integration of international arrival and departure areas in one location will permit turnaround capability to the airlines.

The departure facilities will include terminal building finishes, office and concessions, additional taxiway and aircraft apron pavement and roadway connections.

It is anticipated that this project will be partially funded by Federal aid of approximately $7.0 million. The 1984 Budget includes startup costs associated with the project and additional funds will be included in subsequent years' budgets.

It was therefore recommended that the Board authorize a project for the construction of international departure facilities in Terminal C at Newark International Airport to supplement the international arrival facilities currently under construction in the same terminal at a preliminary estimated project cost of $15.0 million, including administrative, engineering and financial expenses.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project for the construction of international departure facilities in Terminal C at Newark International Airport, to supplement the international arrival facilities currently under construction in that terminal, at a preliminary estimated project cost of $15.0 million, including administrative, engineering and financial expenses, be and it hereby is authorized.

(Board - 4/12/84)

LaGuardia Airport - Expansion of Consolidated Ground Transportation Counter Program

It was reported that on November 8, 1982, the Executive Director authorized the establishment of a program to test the concept of consolidated ground transportation counters at the Eastern Airlines Shuttle Terminal at LaGuardia Airport. Subsequently, the Committee on Operations, at its meeting on June 9, 1983, authorized an expansion of the program to include the Delta Airlines Terminal. Included in these authorizations was a provision for an agreement with the Council for Airport Opportunity (CAO) for the staffing of these counters. The CAO is a not-for-profit corporation funded by the Port Authority, airlines and other airport tenants to promote opportunities for minorities in the aviation industry in the New York/New Jersey area.

As provided for in the June 9, 1983 authorization, an in-depth evaluation of this pilot program has been completed. Based upon the results of this study, staff recommends the permanent establishment of a consolidated ground transportation program at LaGuardia Airport. This recommendation is based upon observed service improvements in the day-to-day operation of the airport limousine companies, including the substantial elimination of "hustlers" from the counter and baggage claim areas. This program is also part of a continuing effort to reduce the public dependence upon the private automobile for airport access.

The annual operating cost of the four new Central Terminal Building Consolidated Counters is estimated at $543,645. This figure reflects the cost of CAO staffing, Port Authority direct supervision, telephones and miscellaneous supplies and equipment. A one-time cost of $15,000 has been included for construction and signing. The total first year operational cost of LaGuardia Airport's consolidated ground transportation counter program, including the existing Eastern Shuttle and Delta operations, is estimated at approximately $785,000. Staff expects that the 1984 LaGuardia Airport ground transportation revenues will be approximately $1,657,233. This revenues figure reflects percentage fee charges on limousine operations at LaGuardia Airport of $1,369,500 and estimated counter operational charges to the limousine companies of $287,733. These consolidated counter charges are based upon the number of patrons processed at each counter.

The contract with the CAO, which is included in this project, provides for staffing of the consolidated counters. With the addition of the four new Central Terminal counters, there will be a total of six counters operating at LaGuardia Airport employing a total of 35 agents. Contract payments to the CAO for each year of the two-year proposed extension are estimated at $718,750 based upon an average hourly rate of $9.03 including benefits.

(Board - 4/12/84)

It was therefore recommended that the Board authorize:

1. a project for the implementation of a consolidated ground transportation counter program at LaGuardia Airport, the expenditure therefor presently being estimated at approximately $1,757,500, including payments for two years to the CAO, and an allowance for administrative and miscellaneous expense; and

2. the Executive Director to enter into a two-year extension of the current contract with the CAO until May 28, 1986 for staffing of the consolidated ground transportation counters at LaGuardia Airport, at an estimated annual price of $718,750.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project for the implementation of a consolidated ground transportation counter program at LaGuardia Airport, the expenditure therefor presently being estimated at approximately $1,757,500, including payments for two years to the Council for Airport Opportunity (CAO), and an allowance for administrative and miscellaneous expense, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to enter into a two-year extension of the current contract with the CAO until May 28, 1986 for staffing of the consolidated ground transportation centers at LaGuardia Airport at an estimated annual price of approximately $718,750; the form of the extension to be subject to the approval of General Counsel or his authorized representative.

(Board - 4/12/84)

Kennedy International Airport - Building No. 179 and Site - Supplement to Lease with DHL Airways, Inc. to Provide for Port Authority Construction Advances for Leasehold Improvements

It was recalled that the Board, at its meeting on March 10, 1983, authorized the Executive Director to enter into an agreement of lease with a 10-year term with DHL Airways, Inc., (hereinafter sometimes called "DHL") for Building No. 179 and related outside areas at Kennedy International Airport. The construction of Building No. 179 was authorized by the Board on December 12, 1957 and the building was utilized by the United States Postal Service as an Airport Mail Facility from November 1959 until the end of June 1981. After the Postal Service relocated its operation to a new facility at the airport, Building No. 179 remained vacant from July 1981 until the agreement of lease was entered into between the Port Authority and DHL commencing as of April 1, 1983.

Building No. 179 required substantial repairs and alterations before it could be utilized by DHL and it was the intention of DHL at the time the lease was negotiated to expend in excess of $2 million for repairs and alterations to the premises. DHL has been unable to finance that portion of the work which constitutes improvements to the leasehold, and as a result, DHL has requested that the Port Authority advance funds for such work as the removal of the mail handling system, conversion of the second floor space from locker rooms and sorting facilities to office area and the installation of a sprinkler system throughout the first floor of the building to permit the building to be used as an air cargo handling facility. The cost of this work is estimated at between $1.1 million and $1.2 million, and it is recommended that the Board authorize the Port Authority to advance to DHL an amount not to exceed $1.2 million, exclusive of interest at an annual rate of 13% accrued during the construction period, for this work. These advances are to be made as portions of the construction work are completed and payments are made to contractors. Funds advanced by the Port Authority, including accrued interest, will be repaid by DHL after completion of the construction work over the remaining term of the lease at an annual interest rate of 13%.

The agreement of lease with DHL Airways contemplated a period of construction during which DHL would be unable to utilize a major portion of the facility and as a result, reduced rentals were provided for during the first 12 months of the lease. Because of the difficulties encountered by DHL in obtaining the funds required to undertake this work, construction has been delayed with a resulting delay in DHL's ability to make full use of the premises. In light of the delay in commencing construction and in consideration of the fact that certain elements of the building systems require extensive work that had not been contemplated at the time of execution of the agreement of lease, it is recommended that the allowance of a period of reduced rental be extended for an additional six months so that the effective date for commencement of full building rental and for full ground rental would be changed from April 1, 1984, as provided in the agreement of lease, to October 1, 1984.

An additional security deposit will be required in connection with the recommended construction advances.

(Board - 4/12/84)

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement with DHL Airways, Inc. at Kennedy International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement with DHL Airways, Inc. supplementing the present agreement between DHL Airways, Inc. and the Port Authority for the lease of Building No. 179 and site at Kennedy International Airport whereby the Port Authority would advance to DHL Airways, Inc. an amount not to exceed $1.2 million, exclusive of interest at an annual rate of 13% accrued during the construction period, for modifications, alterations and improvements to the leased premises, with such advances and accrued interest during construction to be repaid by DHL Airways, Inc. after completion of the construction work, over the remaining term of the lease at an annual interest rate of 13% and to further provide for a change in the effective date for commencement of full rental on the premises from April 1, 1984 to October 1, 1984; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

LaGuardia Airport - Operation of the Public Parking Lots

It was reported that the Board, at its meeting on November 9, 1978, after public bidding, authorized the award of a three-year contract with two one-year options in the Port Authority to extend the term for the operation of the public parking lots at LaGuardia Airport to Meyers Parking System Inc. (Meyers), the lowest qualified bidder. The Port Authority's contract with Meyers, which was extended for both years, was to expire by its terms on January 31, 1984.

The parking lot contracts at LaGuardia Airport, Newark International and Kennedy International Airports were to expire simultaneously on January 31, 1984. In order to avoid a situation which might have resulted in reducing the number of qualified operators who would otherwise be interested in bidding on two or more of the contracts, it was decided to stagger the bidding. The Board, at its meeting on December 8, 1983, authorized the extension of the LaGuardia Airport contract for a period not to exceed four months and the Newark International Airport contract for a period not to exceed eight months. The LaGuardia Airport contract extension has a termination date of May 31, 1984.

The contract provides that each bidder must be able to satisfy the following prerequisites:

1. the bidder shall have at least five years experience in the actual operation of two or more parking lots;

2. the bidder shall have operated for at least two years at least one parking lot with a capacity of 1,500 vehicles;

3. the bidder shall have at least two years of experience in the actual operation of a computerized public parking revenue control system;

4. the bidder, no less than 90 days prior to the proposal date, employs no fewer than 500 full-time employees in the operation of parking lots; and

5. the bidder during any one of its last two fiscal years preceding the proposal date had gross receipts from the operation of parking lots of not less than $10 million. In addition to the above prerequisites, the bid proposals incorporated language providing for the acceptability of joint ventures as bidders.

Bids were solicited on the basis of (a) estimated hours for cashiers, parking lot attendants, lot checkers and Clerks I and Clerks II, (b) annual salaries for an estimated number of supervisory personnel and (c) a management fee. The Port Authority retains the right to adjust work schedules and to add and delete personnel as required. The solicitation required the bidder to quote prices and fees for each year of the three-year contract based on the aforesaid estimated hours and number of supervisory personnel and the management fee. Additional payment to the contractor is provided to reimburse the contractor for the purchase of authorized materials, supplies, equipment and for other expenses incurred by the contractor as specified in the contract. Two separate one-year extensions were provided at the discretion of the Director of Aviation Department, and for each extension year the bid price for each labor category and the management fee will be increased (over the immediately preceding year) by a percentage amount to be as set forth in the contract (the contractor will be required to make available to the Port Authority appropriate records for determining the percentage amount). In addition the contract provides that the contractor must pay employees in certain job classifications at least the wages and benefits specified in the contract.

Four bids were received for the following amounts (such amounts do not include additional payments to the contractor for additional work that may be ordered by the Director of Aviation nor do such amounts include reimbursement to the contractor for the purpose of purchasing authorized materials, supplies, equipment and for other expenses as specified in the contract) for the first three years of the contract:

(1)	Meyers Parking System, Inc.	$6,460,740
(2)	Kinney Parking, Inc.	6,532,014
(3)	APCOA, Inc.	6,794,270
(4)	Five Star Parking	6,871,817

The low bidder, Meyers Parking System, Inc., in its bid papers set forth rates lower than the Port Authority's wages and benefits requirements specified in the contract and accordingly did not comply with the bid papers. The next lowest bidder, Kinney Parking, Inc., compiled with the requirements of the bid papers and is qualified to perform the services required for the operation of the public parking facilities at LaGuardia Airport. The bid of Kinney Parking, Inc. was placed before the meeting. The form of contract was approved by General Counsel.

The successful bidder may be required to obtain a performance and payment bond for each year of the term of the contract, including any extension, with the cost thereof to be reimbursed by the Port Authority.

The cost of operating the public parking facilities at LaGuardia Airport is recovered in the rates charged the public for the use of such parking facilities.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, the Port Authority has invited bids for the awarding of a contract for the operation of the public parking lots at LaGuardia Airport; and

WHEREAS, bids for the aforesaid contract were submitted to the Port Authority and were publicly opened and then carefully compared and the qualifications of the bidders carefully investigated; and

WHEREAS, Kinney Parking, Inc. has submitted a bid for the performance of said contract in the total estimated amount of $6,532,014 and the Port Authority is satisfied that said bidder is qualified by reason of responsibility, experience and capacity to perform the contract if it be awarded to it and that the public interest will be best served by accepting the bid of said bidder;

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to accept said bid in the manner provided for in the said contract for the operation of the public parking lots at LaGuardia Airport to Kinney Parking, Inc. for a three-year term effective on or about June 1, 1984 for a three-year estimated cost of $6,532,014 plus additional amounts for extra work that may be ordered at the discretion of the Director of the Aviation Department and additional amounts to reimburse the contractor for the purchase of authorized materials, supplies, equipment and for other expenses incurred by the contractor, all as specified in the contract, with the Director of Aviation Department to have the right to extend the term for two additional periods of one year each, the contractor's bid price for labor and the management fee for each year of the extension to be increased over the immediately preceding year by a percentage amount to be as set forth in the contract; the contractor will be obligated to pay employees in certain job classifications at least the wages and benefits specified in the contract and the contractor will also be obligated to obtain a performance and payment bond for each year of the contract, including each of the extension years, if the Port Authority so requires, the Port Authority to reimburse the contractor for the cost of such bond; and it is further

RESOLVED, that until the Executive Director shall give formal notice to the bidder accepting said bid, as provided in the bid papers, this resolution shall not be construed as acceptance of said bid; and it is further

RESOLVED, that upon acceptance of said bid, the Port Authority staff members designated by title in said contract to exercise certain powers and duties be and they hereby are authorized to exercise said powers and duties and to do all things required or permitted by said contract to be done by them.

(Board - 4/12/84)

All Airports - Amendment of Authorization - Retention of Professional Services to Evaluate Noise Abatement Projects Undertaken at Selected Schools

It was recalled that the Board, at its meeting on August 11, 1983, authorized the Executive Director to enter into agreements with the governing bodies of four selected schools in proximity to Port Authority operated airports, in order to undertake projects to reduce aircraft noise levels in these schools at an expenditure of $1 million in Federal grant funds and $250,000 in Port Authority funds. By memorandum of September 29, 1983, the Executive Director informed the Board that $2 million in Federal grant funds would be available for these projects and that $500,000 in Port Authority funds would be required for the projects.

At its meeting on August 11, 1983, the Board was informed that it would be prudent to retain an outside expert to provide a review of the designs and an evaluation of the noise reduction improvements in order to establish guidelines for future programs at each airport. Accordingly, a Request for Proposals was prepared for the performance of the following Tasks:

Task 1 – Review and analysis of the effectiveness of alternative techniques for soundproofing school buildings against aircraft noise.

Task 2 – Recommendation of the best measure of noise levels in school buildings as as a recommendation of an acceptable sound level on that scale.

Task 3 – Evaluation of the design proposal submitted for each of the four schools to estimate the degree to which the acceptable sound level recommended in Task 2 will be achieved.

Task 4 – Conduct of sound monitoring tests at each of the four schools before and after the improvements to determine the accuracy of the predictive methods used in Task 3.

Task 5 – Development of guidelines for selecting schools to be included in any future noise abatement projects.

It is estimated that the services of the expert will be performed over a six-month period.

The Request for Proposals was sent to 10 firms thought to have expertise in architectural acoustics and which specialize in dealing with aircraft noise. Seven proposals were submitted. After reviewing these proposals, staff determined that Wyle Research was best technically qualified to perform the required services. The estimated compensation to Wyle Research for these services is $30,000.

(Board - 4/12/84)

The following is a list of the firms that received the Request for Proposals and the compensation estimates submitted:

Firm	Compensation Estimate
Bolt Beranek & Newman, Inc., Cambridge, Mass.	$29,000
Donley, Miller & Nowikas, Inc., East Hanover, N.J.	31,390
Ken Eldred Engineering, Concord, Mass.	No Proposal Submitted*
Engineering Dynamics International, St. Louis, Mo.	55,000
Lewis S. Goodfriend & Associates, Cedar Knolls, N.J.	No Proposal Submitted
Harris Miller Miller & Hanson, Inc., Lexington, Mass.	82,846
Ostergaard Associates, Caldwell, N.J.	62,000*
Tracor Applied Sciences, Inc., Austin, Tx.	98,773
Wiedersum Associates, PC, Hauppauge, N.Y.	No Proposal Submitted
Wyle Research, Arlington, Va.	30,000

*Ostergaard Associates and Ken Eldred Engineering submitted a joint proposal.

It was therefore recommended that the Board authorize:

1. the amendment of the authorization by the Board granted at its meeting on August 11, 1983 for the Executive Director to enter into agreements with the governing bodies of four selected schools in proximity to Port Authority operated airports which provides for joint Port Authority/Federal Airport Improvement Program funding of projects to reduce aircraft noise levels in these schools, to permit the expenditure of $2 million in Federal grant and $500,000 in Port Authority funds; and

2. the Executive Director to enter into an agreement with Wyle Research to provide guidance in the design and evaluation of the noise abatement projects being presently undertaken at four selected schools in proximity to Port Authority operated airports and to establish guidelines for the selection of schools for possible future noise abatement projects, at a compensation estimated at $30,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the authorization by the Board granted at its meeting on August 11, 1983 for the Executive Director to enter into agreements with the governing bodies of four selected schools in proximity to Port Authority operated airports, which provides for joint Port Authority/Federal Airport Improvement Program funding of projects to reduce aircraft noise levels in these schools, be and it hereby is amended to permit the expenditure of $2 million in Federal grant and $500,000 in Port Authority funds; and it is further

(Board - 4/12/84)

RESOLVED, that the Executive Director be and he hereby is authorized to enter into an agreement with Wyle Research to provide guidance in the design and evaluation of the noise abatement projects being presently undertaken at four selected schools in proximity to Port Authority operated airports and to establish guidelines for the selection of schools for possible future noise abatement projects, at a compensation estimated at $30,000; the form of the agreement to be subject to the approval of General Counsel or his authorized representative.

Kennedy International Airport - Cash Settlement with the U.S. Postal Service for Restoration Responsibilities - Building No. 179

The United States Postal Service occupied Building No. 179 at Kennedy International Airport under lease from the Port Authority, from November 1, 1959 until June 30, 1981 when the Postal Service vacated Building No. 179 and relocated its operation to a new airmail facility at Kennedy International Airport.

Under the terms of the Building No. 179 lease, the Postal Service was given the right to make a cash payment to the Port Authority in lieu of actual performance of its restoration obligation under the lease. It has been reported that, after negotiation, the Postal Service has offered to pay $126,700 which Port Authority staff finds represents the reasonable value of the restoration work required in Building No. 179 under the lease agreement. It is, therefore, proposed that an agreement be entered into with the Postal Service to accept the payment of $126,700 in full settlement of the Postal Service's responsibility for restoration of Building No. 179.

It is therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement with the United States Postal Service, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized for and on behalf of the Port Authority to enter into an agreement with the United States Postal Service, whereby the Port Authority will accept a payment of $126,700 in lieu of actual restoration as required under the lease agreement with the Postal Service covering Building No. 179 at Kennedy International Airport; the form of the foregoing agreement to be subject to the approval of General Counsel or his designated representative.

The World Trade Center - Contract WTC-599.05 - Agreement to Operate and Maintain Mechanical Systems - Exercise of Option

It was reported that the Board, at its meeting on July 13, 1978, authorized the award of Contract WTC-599.05 for the furnishing of all craftsmen, clerical, supervisory and management personnel necessary for the operation and maintenance of the mechanical systems at The World Trade Center to National Cleaning Contractors, a division of National Kinney Corporation, at an estimated compensation of $7,779,456, which included the contractor's estimated reimbursable costs of $7,523,652, including escalation and a management fee of 3.4% for an estimated compensation of $255,804. The said contract, with an original term of three years commencing August 1, 1978, also provided for an option of two additional three-year periods.

On March 25, 1980, the Executive Director authorized the award of Supplement I to Contract WTC-599.05 in the amount of $1,500, exclusive of an authorization for extra work in the amount of $150 and on May 14, 1981, the Board authorized the exercise of the first three-year option to extend Contract WTC-599.05 in an estimated amount of $9,814,000 which included the contractor's estimated reimbursable costs of $9,491,295, including escalation and a management fee of 3.4% for an estimated compensation of $322,705.

Since the cost to provide the services required under the terms of this contract is considered fair and reasonable and the contractor's performance has been satisfactory, it is in the Port Authority's best interest to exercise the second three-year option.

It was therefore recommended that the Board authorize the Executive Director to exercise the second three-year option to extend Contract WTC-599.05 for an additional three-year period commencing August 1, 1984, the cost of which is estimated at $10,910,000 which includes the contractor's estimated reimbursable cost of $10,551,000, including escalation and a management fee of 3.4% estimated at $359,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to exercise the second three-year option to extend Contract WTC-599.05, Agreement to Operate and Maintain Mechanical Systems, The World Trade Center with National Cleaning Contractors, a division of National Kinney Corporation, for an additional three-year period commencing August 1, 1984, the cost of which is estimated at $10,910,000, which includes the contractor's estimated reimbursable cost of $10,551,000, including escalation and a management fee of 3.4% estimated at $359,000.

The World Trade Center - Contract WTC-199.44 - Agreement to Perform General Maintenance Services - Exercise of Option

It was recalled that the Board, at its meeting on July 13, 1978, authorized the award of Contract WTC-199.44, Agreement to Perform General Maintenance Services at The World Trade Center to National Cleaning Contractors, a division of National Kinney Corporation, at an estimated compensation of $1,840,645 which included the contractor's estimated reimbursable costs of $1,780,121, including escalation and a management fee of 3.4% for an estimated compensation of $60,524. The option, for a three-year period commencing August 1, 1984, is the final three-year option provided under the contract. Contract WTC-199.44 requires the contractor to provide all craftsmen, clerical, supervisory and management personnel necessary for the repair, replacement and installation of all architectural finishes including ceiling systems, partitions, doors, hardware, resilient floor tile, woodwork and signs at The World Trade Center and for the furnishing of craftsmen for incidental construction and special events at The World Trade Center.

On March 25, 1980, the Executive Director authorized the award of Supplement I to Contract WTC-199.44 in the amount of $7,700, exclusive of an authorization for extra work in the amount of $800. Supplement I provided for National Cleaning Contractors, a division of National Kinney Corporation, through an agreement between the Port Authority and the City of New York, to assume the maintenance of the Dey Street and Liberty Street underpass outside The World Trade Center.

Subsequently, it was recalled that the Board on June 11, 1981, authorized an increase of $360,000 in the amount to be expended under Contract WTC-199.44, as well as the exercise of the first three-year option to extend Contract WTC-199.44, commencing August 1, 1981, in an estimated amount of $4,060,000, which includes the contractor's estimated reimbursable costs of $3,926,500, including escalation and a management fee of 3.4% for an estimated compensation of $133,500.

Of the total estimated compensation of $3.3 million, for the final three-year option, approximately 25% or $825,000, is estimated for World Trade Center tenant recoverable work.

Since the cost to provide the services required under the terms of this contract is considered fair and reasonable and the contractor's performance has been satisfactory, it is in the Port Authority's interest to exercise the final three-year option.

It was therefore recommended that the Executive Director be authorized to exercise the option to extend Contract WTC-199.44, Agreement to Perform General Maintenance Services at The World Trade Center with National Cleaning Contractors, a division of National Kinney Corporation, for a final three-year period commencing August 1, 1984, in the estimated amount of $3.3 million, which includes the contractor's estimated reimbursable costs of $3,191,500, including escalation and a management fee of 3.4% for an estimated compensation of $108,500.

(Board - 4/12/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to exercise the option to extend Contract WTC-199.44, Agreement to Perform General Maintenance Services at The World Trade Center with National Cleaning Contractors, a division of National Kinney Corporation, for a final three-year period commencing August 1, 1984, in the estimated amount of $3.3 million, which includes the contractor's estimated reimbursable costs of $3,191,500, including escalation and a management fee of 3.4% for an estimated compensation of $108,500.

(Board - 4/12/84)

Port Authority Trading Company Operation (XPORT) - Purchase of Master Foreign Credit Insurance

It was reported that at its meeting on March 11, 1982, the Board authorized the Executive Director to enter into export marketing agreements with manufacturers and suppliers and to develop a trading company operation for that purpose. Pursuant to that authorization XPORT was established and export marketing agreements entered into authorizing the trading company operation to act as representative for, initially, a number of small manufacturers and suppliers doing business with buyers in foreign countries.

The prudent conduct of business with foreign buyers dictates that the integrity of financial transactions be assured. One important way in which this is accomplished is through the purchase of Foreign Credit Insurance which covers both the commercial risk exposure, including losses arising from a buyer's insolvency or failure to pay for goods within six months after due date, and the political risk exposure, including losses resulting from war, revolution, cancellation of import or export licenses or currency inconvertability. In addition, an exporter's ability to secure financing is often contingent upon the existence of valid Foreign Credit Insurance. Since most of the manufacturers and suppliers currently trading through the Port Authority's trading company operation are small or medium sized companies with little or no experience in obtaining export credit insurance, it was determined that the purchase of a master Foreign Credit Insurance policy by the Port Authority would be the most effective arrangement to facilitate the provision of this coverage.

As a result, on June 30, 1983, the Executive Director authorized the Comptroller to purchase a master policy of Foreign Credit Insurance, through the broker Marsh and McLennan, Inc., from the Foreign Credit Insurance Association (FCIA), the leading insurer of export credit risks, which operates with financial support provided by the Export-Import Bank of the United States (Eximbank), an independent agency of the U.S. Government. That authorization permitted the purchase of a master policy naming as insured the XPORT as well as those manufacturers and suppliers entering into, from time to time, export marketing agreements with XPORT. FCIA has submitted a policy quotation under which the Port Authority would be the sole named insured. The proposal also contains a provision under which the Port Authority will indemnify FCIA for suits based on the policy brought by exporters of record. The policy may be terminated by either the Port Authority or FCIA on 30 days' notice. This policy was authorized by the Directors of the Eximbank on October 12, 1983. It is the first of its kind and will act as a prototype of other Federal-State cooperative efforts to promote exports.

The purchase of the master Foreign Credit Insurance policy will provide for premium rates which are more favorable than those under individual policies that each manufacturer and supplier would normally purchase and are based on the commodity shipped and the country of destination. The terms of the FCIA policy quotation call for the payment of a $2,000 advance premium, to be held on deposit by the insurer until policy termination, after which it would be refunded to the Port Authority, and the payment of subsequent premiums to FCIA to made monthly by the Exporters of record based on the actual gross export value shipped by the exporters, as reported to FCIA.

(Board - 4/12/84)

The FCIA policy quotation initially proposes a policy aggregate limit of liability of $500,000 which represents the total gross export value of all shipments. In addition to seeking authorization to purchase the aforesaid policy and pay the required $2,000 advance premium, it is also recommended that authorization be granted to permit the negotiation of the policy aggregate limit of liability up to $5 million. The costs of the premium will be borne by the companies served by XPORT. XPORT will serve as a conduit for the payments.

Recommendation was made that the Board authorize the purchase, by the Port Authority from the Foreign Credit Insurance Association (FCIA), of a policy of Foreign Credit Insurance having a policy aggregate limit of liability of $5 million or less and covering commercial and political risks of export transactions handled by the Port Authority through its trading company operation, XPORT.

Approved.

(Board - 4/12/84)

The World Trade Center - ISS Prudential Maintenance Systems, Inc. - Settlement of Claims

It was reported that, as the low qualified bidder, Prudential Building Maintenance Systems Corp. was awarded a three-year contract to perform cleaning service for The World Trade Center commencing January 1, 1981 for an estimated total cost of $39,263,829. The bid was based on a weighted hourly wage rate provided by the bidder and a production rate tied to the building square footage needing cleaning as provided by the Port Authority.

Early into the contract, in order to accommodate the Port Authority's "Lights Out" Program and based on a survey of building square footage, the Port Authority gave Prudential a specific manpower schedule to follow. The schedule required more hours than were contemplated under the production rates in the contract. Prudential performed the work and paid the labor and materials costs. It billed the Port Authority but was not paid.

Prudential sued the Port Authority in Supreme Court, New York County, (Index Nos. 92297/1983 and 92298/1983) for a total of $6,374,559.91 for work performed from January 1, 1981-June 30, 1983. The claim included challenges to Port Authority approved weighted hourly rate increases on insurance and "bench fringes" and a claim for the reasonable value of the services.

Subsequent to the commencement of the suits, two types of billing/payment errors were uncovered by the Port Authority – one involving a computer programming error, the other, a mutual mistake as to the categories into which bills could be classified so as to allow payment for work performed. Based on these errors together with the value of the increased hours required by the Port Authority mandated schedule and with consideration being given to rate adjustment claims, plus interest, staff recommends that $2.2 million is a fair settlement which would also avoid the cost and risk of ligitation. This settlement includes a release for any claims for square footage disagreements (up to 70 hours per day or approximately $115,778) for the last six months under the contract as well as all equity claims and challenges to the Port Authority approved rate increase, other than comparatively minor items related to the insurance and "bench increase" components.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to pay ISS Prudential Maintenance Systems, Inc. $2.2 million in full satisfaction of all claims asserted for work from January 1, 1981 through June 30, 1983 pursuant to Contract WTC-199.60, The World Trade Center Building Cleaning Service Contract reflected in two lawsuits brought in Supreme Court, New York County.

(Board - 4/12/84)

Hoboken-Port Authority Marine Terminal - Lloyd's Underwriters and Other Foreign Insurance Companies - Settlement of Claim

It was reported that on October 31, 1980 a fire occurred which caused severe damage to Pier B in Hoboken. At that time the Port Authority maintained property damage insurance on the piers under the Fire and Allied Perils and Difference in Conditions All Risk insurance purchased from Lloyd's Underwriters and other foreign insurance companies for the period June 1, 1978 through June 1, 1981.

While in the process of the initial review of the claim with Toplis and Harding, insurance adjusters for Lloyd's Underwriters, negotiations began for the transfer of ownership of the Hoboken Piers from the Federal Government to the City of Hoboken. Under these circumstances staff felt that it would be better to suspend the review of the claim until such transfer took place. Staff assured adjusters that the delay would not work to the disadvantage of underwriters.

In August 1983, with a better understanding of the timing of the transfer, staff initiated development of a Stage II estimate for the reconstruction of the pier and indicated that settlement of the claim could be pursued by January 1984. The Port Authority subsequently retained the consulting firm of Parsons, Brinckerhoff, Quade & Douglas to develop cost estimates for various reconstruction alternatives.

As a result of the consultant's January 1984 report, which estimated the replacement cost at $11.6 million, extensive negotiations were conducted with the adjuster. Toplis and Harding initially offered to settle the claim for $5.7 million, which they calculated as the actual cash value (replacement cost less physical depreciation) in 1981 dollars. Adjusters felt that a $5.7 million settlement was consistent with the value of the pier declared by the Port Authority, in connection with the 1978 property insurance renewal, and with the poor physical state of the pier at the time of loss.

Adjusters and staff have agreed that $7.5 million is a fair settlement for both parties. The settlement is reasonable in light of the time elapsed since the date of the occurrence, the uncertainty as to the actual damages sustained and the length of time which would elapse before funds expended for the work are collected.

It was recommended that the Board authorize settlement of the claim, as outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that General Counsel be and he hereby is authorized to settle the claim of the Port Authority with Lloyd's Underwriters and other foreign companies insuring the Port Authority's Fire and Allied Perils and Difference in Conditions All Risk coverage, for damages incurred as a result of the fire at Hoboken Pier B, by accepting the sum of $7.5 million.

Port Authority Bus Terminal - Downes of Manhattan, Inc. - Lease LBT-216 - Supplement No. 9

It was recalled that Downes of Manhattan, Inc. has been operating a luggage store on the Main Concourse of the South Wing of the Port Authority Bus Terminal under a lease entered into in 1958. The Committee on Operations, at its meeting on April 25, 1981, authorized a 10-year extension of this lease effective December 1, 1980 at a basic rental at the rate of $13,000 per year plus an annual percentage rental equivalent to 10% of the tenant's annual gross receipts in excess of $130,000 through November 30, 1981 and thereafter at a basic rental at the rate of $20,000 per year plus an annual percentage rental equivalent to 10% of the tenant's annual gross receipts in excess of $200,000 with the basic rental being subject to escalation effective December 1, 1984 and December 1, 1987 based upon the percentage of increase in the "Commodities Less Food and Energy" component of the Consumer Price Index for all Urban Consumers (all items, unadjusted) on each of those dates over the said Index for the month of December 1981.

It was reported that tentative agreement has been reached with the tenant to provide for the leasing of additional space adjacent to its existing premises and for an extension of the term of the letting for a period to expire on the 10th anniversary of the commencement of the letting of the additional space. The letting of the additional space will commence not later than 120 days after delivery thereof to the tenant for construction and space preparation work therein with an outside date for delivery of the space of December 31, 1984. The additional space consists of approximately 1,475 square feet and will be delivered to the tenant in its "as is" condition. The tenant will perform at its sole cost and expense all construction and installation work therein necessary to prepare the space for its operations therein. In lieu of the rental previously payable, effective upon the commencement of the letting of the additional space, the tenant will pay an annual basic rental for all of the premises at the rate of $49,500 per year for the first five years following the commencement of the letting of the additional space and at the rate of $56,740 per year for the remainder of the extended term of the letting against a percentage rental equivalent to 10% of all annual gross receipts arising from the tenant's operations in the combined premises. In addition, the tenant will be required to pay for chilled water and electricity supplied to the additional space at the same rates as applied with respect to the original premises, subject to annual escalation as already set forth in the lease. In addition the Port Authority will supply steam for heat to the additional space at no additional charge.

The lease would continue to be subject to termination by the Port Authority at any time without cause on 30 days' notice, in which event the tenant would be reimbursed for the unamortized portion of its cost for refurbishing, decorating and equipping the additional space, subject to an initial limitation on such cost in the amount of $100,000. The Port Authority's previous reimbursement obligations with respect to the original space under the lease will remain in effect.

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As part of its renovation work in the additional space, the tenant will replace the existing heating, ventilating and air-conditioning equipment installed therein by the Port Authority, and the tenant will install a smoke purge system. Such work will be performed in accordance with Port Authority mandated requirements with the Port Authority to contribute $29,000 towards the cost thereof which will reduce the maximum reimbursement amount due the tenant in the event of termination of the lease by the Port Authority without cause.

The Treasury Department has reviewed the financial condition of Downes of Manhattan, Inc. and has determined that no additional security deposit is required.

It was therefore recommended that the Board authorize the Executive Director for and on behalf of the Port Authority to enter into an agreement with Downes of Manhattan, Inc. amending the terms of its lease covering the operation of a luggage store at the Port Authority Bus Terminal to include the letting of additional space and the extension of the term thereof on the terms and conditions outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement with Downes of Manhattan Inc. covering the letting of additional space on the Main Concourse of the Port Authority Bus Terminal adjacent to its existing premises, the letting to commence not later than 120 days after the delivery of such space to the tenant for space preparation work therein with an outside date for such delivery on December 31, 1984, and an extension of the term of the letting of all of the premises under the lease for a period ending on the 10th anniversary of the commencement of the letting of the additional space, the tenant to pay a basic rental for all the premises under the lease at the rate of $49,500 per year for the first five years following the commencement of the letting of the additional space and at the rate of $56,740 per year thereafter against a percentage rental equivalent to 10% of all annual gross receipts arising from the tenant's operations in the combined premises, and with the tenant to pay for electricity on a metered basis and for chilled water subject to escalation in accordance with the lease formula, the Port Authority to continue to have the right to terminate the letting under the lease at any time without cause on 30 days' notice in which event the tenant would be reimbursed for the unamortized portion of its cost for refurbishing and renovating the additional space to the extent that such cost does not initially exceed $100,000; and it is further

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RESOLVED, that as part of the above-described agreement the Port Authority be authorized to provide for the tenant to replace the existing heating, ventilating and air-conditioning equipment serving the additional space and to install therein a smoke purge system, all in accordance with Port Authority mandated requirements, and be authorized to contribute the sum of $29,000 towards the cost of the work which will reduce the maximum amount due the tenant in the event the letting is terminated by the Port Authority without cause; and it is further

RESOLVED, that the form of the agreement shall be subject to the approval of General Counsel or his designated representative.

Port Authority Bus Terminal - Surrender of Lease with Elliot Sutton - New Lease with Port Electronics, Inc.

It was reported that Elliot Sutton is the assignee of Port Authority Lease No. LBT-343 covering the operation of an electronics shop at the Port Authority Bus Terminal for a term ending July 31, 1992 at a rental equal to the greater of a guaranteed basic rental of $6,000 per year or 10% of all annual gross receipts. The premises consists of 212 square feet on the first floor of the South Wing of the Bus Terminal.

Mr. Sutton, as President of a new corporation, Port Electronics, Inc., desires to lease a large retail area for a comparable shop consisting of 1,315 square feet which will become available on the second floor of the South Wing of the Bus Terminal, and to concurrently surrender the original shop lease.

Tentative agreement has been reached with Port Electronics, Inc. for the letting of the second floor premises for a 10-year term commencing not later than 120 days after delivery of the premises to the tenant for space preparation work, with an outside date for delivery of December 31, 1984. The tenant will pay a rental equal to the greater of a guaranteed basic rental of $18,675 per year for the first five years of the term and $24,900 per year for the balance of the term or 10% of all annual gross receipts. The premises will be delivered in its "as is" condition with the tenant performing all space preparation work, including the installation of a new storefront, interior and HVAC and smoke purge systems. Upon the satisfactory completion of the HVAC and smoke purge systems the Port Authority will reimburse the tenant the lump sum of $26,850. The tenant will be required to pay for chilled water at the rate of $2.83 per square foot subject to annual escalation, in accordance with increases in the Consumer Prices Index for All Urban Consumers (all items, unadjusted), and for electricity on a metered basis. The Port Authority will provide heat at no additional charge. The tenant will be required to post a security deposit in the sum of $500.

The proposed lease will be subject to termination by the Port Authority without cause on 30 days' notice, in which event the tenant will be reimbursed for the unreimbursed and unamortized portion of its initial space preparation costs subject to an initial limitation on such costs in the amount of $100,000.

It was therefore recommended that the Board authorize the Executive Director for and on behalf of the Port Authority to enter into a surrender agreement with Elliot Sutton covering his leased premises at the Port Authority Bus Terminal and to enter into a lease agreement with Port Electronics, Inc. for the operation of an electronics shop at the Port Authority Bus Terminal on the terms and conditions outlined above.

(Board - 4/12/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized for and on behalf of the Port Authority to enter into a surrender agreement with Elliot Sutton to provide for his release from all obligations under Port Authority Lease No. LBT-343 covering the operation of an electronics shop on the first floor of the South Wing of the Port Authority Bus Terminal; the form of the agreement to be subject to approval of General Counsel or his designated representative; 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 a 10-year lease agreement with Port Electronics, Inc. covering the letting of premises on the second floor of the South Wing of the Port Authority Bus Terminal for the operation of an electronics shop at a rental equal to the greater of a guaranteed basic rental of $18,675 per year for the first five years of the term and $24,900 for the balance of the term, or 10% of all annual gross receipts, the agreement to provide for the letting to commence not later than 120 days after delivery of the premises for its space preparation work including installation of a new storefront, interior and HVAC and smoke purge systems for which systems the Port Authority will reimburse the tenant the lump sum of $26,850 upon their satisfactory completion and to provide for the tenant to post a security deposit in the sum of $500 and for the Port Authority to have the right to terminate the letting without cause on 30 days' notice to the tenant in which event the tenant will be reimbursed for the unreimbursed and unamortized portion of its initial space preparation costs and subject to an initial limitation on such costs in the amount of $100,000; and form of the agreement to be subject to the approval of General Counsel or his designated representative.

Elizabeth-Port Authority Marine Terminal - East Coast Warehouse & Distribution Corp. or a Corporation Wholly-Owned by the Stockholders of East Coast

It was reported that negotiations have been completed, subject to the approval of the Board, for a lease with East Coast Warehouse & Distribution Corp. or a corporation wholly-owned by the stockholders of East Coast covering the letting of approximately 14.3 acres of open area at the Elizabeth-Port Authority Marine Terminal upon which the tenant will construct a distribution building of approximately 300,000 square feet and will pave a truck parking area, for a term of 40 years to commence on the completion of construction but not later than September 1, 1985 unless the Executive Director authorizes an extension of the construction period.

East Coast Warehouse & Distribution Corp. is a major public warehousemen located at the Elizabeth-Port Authority Marine Terminal since 1960, leasing approximately 400,000 square feet at the Terminal under a term agreement expiring May 31, 2000. Under the proposed lease, the Port Authority will advance up to $6.5 million toward the cost of construction of the building and the tenant will repay the amount advanced by the Port Authority over the initial 20 years of the term of the lease together with interest at the rate of 9 3/8% per year. As part of the arrangement East Coast has agreed to invest $1.5 million toward the construction of the new building including cargo racks. East Coast will have the right to terminate the lease on May 15, 1984 if a geotechnical investigation and evaluation of the site determines that the building cannot be supported on concrete footings. The tenant will pay initially a basic rental for the approximately 10.8-acre building site at the annual rate of $329,857 and for the approximately 3½-acre truck parking area at the annual rate of $30,056. Every 2½ years, the rent for the building site will be increased 4% to $469,490 in the 25th year of the term. Beginning with the 26th year of the term, the rent for the building site will be increased to $1,178,062 and every 2½ years thereafter it will be increased by one-third of the percentage increase in the Consumer Price Index from the 25th year with a minimum of 3% per year compounded annually. The truck parking area rental rate will be increased by $.05 per square foot plus 4% every 2½ years to the 10th year, then by 4% every 2½ years thereafter to $82,278 in the 25th year. In the 26th year, the rent will be increased to $90,169 and escalated every 2½ years thereafter by a percentage equal to one-third of the percentage increase in the Consumer Price Index since the 25th year with a minimum of 3% per year compounded annually.

The lease will provide that the tenant will pay for the construction period an interest charge at the rate of 9 3/8% per year on all advances made by the Port Authority during that period, payment to be made on the commencement date of the letting. The tenant will be responsible for maintenance of the building except the sprinkler system which the Port Authority will maintain and will charge the tenant its cost of the sprinkler maintenance. In connection with entering into this lease, the lease presently in effect with East Coast and Safeway Trucking Corp. covering Building 1330, containing approximately 78,000 square feet and related open area, and Building 2260, containing approximately 104,000 square feet, at the Elizabeth-Port Authority Marine Terminal will be amended to permit the tenant to terminate the letting of either building or both on six months' prior notice to the Port Authority. The termination of the letting of Building 1330 and related open area will reduce the rental payable under the lease by $160,531 per year or if the termination occurs after June 1, 1985 by that amount as escalated pursuant to the provisions of the lease. The termination of the letting of Building 2260 will reduce the rental payable under the lease by $232,700 or if the termination occurs after June 1, 1985 by that amount as escalated pursuant to the provisions of the lease. Such termination would make the buildings available for lease at market rates which are presently higher than East Coast is paying to the Port Authority.

It was therefore recommended that the Board authorize the Executive Director on behalf of the Port Authority to enter into an agreement of lease with East Coast Warehouse & Distribution Corp. or a corporation wholly-owned by the stockholders of East Coast covering the letting of a building site and truck parking area at the Elizabeth-Port Authority Marine Terminal upon the terms and conditions outlined above and an amendment of the lease presently in effect with East Coast Warehouse & Distribution Corp. and Safeway Trucking Corp. permitting the tenant to terminate the letting of Building 1330 and related open area and Building 2260 at the Elizabeth-Port Authority Marine Terminal upon six months' prior notice to the Port Authority.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement of lease with East Coast Warehouse & Distribution Corp. or a corporation wholly-owned by the stockholers of East Coast covering the letting of approximately 14.3 acres of open area at the Elizabeth-Port Authority Marine Terminal upon which the tenant will construct a distribution building of approximately 300,000 square feet and will pave a truck parking area, for a term of 40 years to commence on the completion of construction but not later than September 1, 1985 unless the Executive Director authorizes an extension of the construction period, the Port Authority to advance up to $6.5 million toward the cost of construction of the building and the tenant to repay the amount advanced by the Port Authority over the initial 20 years of the term of the lease together with interest at the rate of 9 3/8% per year; the tenant will have the right to terminate the lease on May 15, 1984 if a geotechnical investigation and evaluation of the site determines that the building cannot be supported on concrete footings; the tenant will pay initially a basic rental for the approximately 10.8-acre building site at the annual rate of $329,857 and for the approximately 3½-acre truck parking area at the annual rate of $30,056; every 2½ years the rent for the building site to be increased 4% to $469,490 in the 25th year of the term and beginning with the 26th year of the term the rent for the building site to be increased to $1,178,062 and thereafter every 2½ years that rent to be increased by one-third of the percentage increase in the Consumer Price Index from the 25th year with a minimum of 3% per year compounded annually; the truck parking area rental rate will be increased by $.05 per square foot plus 4% every 2½ years to the 10th year, then by 4% every 2½ years thereafter to $82,278 in the 25th year, in the 26th year, that rent to be increased to $90,169 and escalated every 2½ years thereafter by a percentage equal to one-third of the percentage increase in the Consumer Price Index since the 25th year with a minimum of 3% per year compounded annually; the lease to provide that the tenant will pay during the construction period an annual interest charge of 9 3/8% on all advances made by the Port Authority during that period, payment to be made on the commencement date of the letting and that the tenant will be responsible for maintenance of the building except the sprinkler system which the Port Authority will maintain and charge the tenant its cost of the sprinkler maintenance; the form of the agreement to be subject to the approval of General Counsel or his designated representative; and it is further

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RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement amending the lease presently in effect with East Coast Warehouse & Distribution Corp. and Safeway Trucking Corp. covering Building 1330 and related open area and Building 2260 and related open area at the Elizabeth-Port Authority Marine Terminal, to permit the tenant to terminate the letting of either or both buildings on six months' prior notice to the Port Authority, the termination of the letting of Building 1330 to reduce the rental under the lease by $160,531 or if the termination occurs after June 1, 1985 by that amount as escalated pursuant to the provisions of the lease and the termination of the letting of Building 2260 to reduce the rental under the lease by $232,700 or if the termination occurs after June 1, 1985 by that amount as escalated pursuant to the provisions of the lease; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 4/12/84)

Port Newark - Berth 24 and Related Area - Lease with Interamerican Juice Co., Inc.

It was reported that negotiations had been completed, subject to the approval of the Board, for a lease with Interamerican Juice Co., Inc. covering the letting of an approximately 135,000 square foot site and the use of Berth 24 at Port Newark for the establishment of a bulk tank storage facility for the receipt, storage, blending, processing, packaging and distribution of orange juice concentrates and other fruit juices, the Berth to be used for the loading and unloading of products stored or handled at the premises.

The establishment of a bulk tank storage facility in the northeast is timely because of the increasing U.S. market for Brazilian orange juice and the recent use of tank ships to transport citrus concentrate rather than drums. At the present time the product is being shipped in drums to Wilmington, Delaware. Berth 24 not only offers Interamerican an ideal location for the new operation but transforms an unused break bulk berth and shed into a modern tank farm facility. Under the lease, the tenant will demolish Shed 154 and construct a new wall for adjoining Shed 153 and construct a new building of approximately 41,000 square feet to accommodate refrigerated storage tanks, cold rooms, a building area and administrative offices at an estimated investment of approximately $7 million. The Port Authority will advance to the tenant up to $4 million for the cost of the realty portion of construction, including site preparation and demolition of Shed 154 and erection of the new wall for Shed 153. If the expenses for demolition of the shed and construction of the new wall exceeds $200,000, the Port Authority will issue a rental credit to the tenant for the amount over $200,000. Initially, Interamerican expects to handle approximately 60,000 tons of concentrate at the Port Newark location with projections of substantial future increases. One of Interamerican's major accounts is Minute Maid in Hightstown, New Jersey.

The availability of Foreign-Trade Zone status at Port Newark was a major factor in Interamerican's decision to locate there. The Zone will allow Interamerican to defer the payment of Customs' duties until the concentrate is actually distributed. Considering its need to maintain a constant high inventory level and seasonal demands, Interamerican will enjoy considerable cash flow savings. In addition, there will be no duty imposed on that portion of the inventory subsequently re-exported to Canada.

The term of the proposed lease with Interamerican Juice Co., Inc. will commence upon completion of construction but not later than June 1, 1985, unless the Executive Director authorizes an extension of the construction period. In the event that the tenant determines through soil tests that the site is not suitable for its use or that it will be unable to secure permits for the establishment or construction of the facility, the tenant shall have the right to terminate the lease by written notice to the Port Authority given on or before May 25, 1984. The tenant will pay initially a basic rental at the annual rate of $67,500 plus further rental increments equal to $0.50 for each ton of cargo handled by the tenant at Berth 24, with an annual guarantee of $25,000 and $0.10 per gross registered tonnage of vessels per day discharging or loading cargo at the Berth for the tenant with an annual guarantee of $4,000. The basic rental, tonnage rates and minimum guarantees will be increased every two years by 50% of the increase in the Regional Consumer Price Index from the commencement of the term to the effective date of the increase with, in each case, a 3% minimum and a 5% maximum. The lease will also provide that the tenant will repay over the 25-year term of the lease, at an annual interest rate of 9¾%, an amount

consisting of the total sum reimbursed by the Port Authority for the realty costs, in an amount not to exceed $4 million, plus interest at 9¾% per year on progress payments made during construction. The lease will include a right to prepay the unamortized principal of the total amount advanced by the Port Authority plus interest during construction, on the 10th or 15th anniversary of the commencement date of the letting. The tenant will have the right to renew the lease subject to terms being agreed upon six months prior to expiration.

It was therefore recommended that the Board authorize the Executive Director on behalf of the Port Authority to enter into an agreement of lease with Interamerican Juice Co., Inc. covering the letting of Berth 24 and approximately 135,000 square feet of adjacent area at Port Newark upon terms and conditions as outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement of lease with Interamerican Juice Co., Inc. covering the letting of an approximately 135,000 square foot site and the use of Berth 24 at Port Newark for the establishment of a bulk tank storage facility for the receipt, storage, blending, processing, packaging and distribution of orange juice concentrates and other fruit juices, the Berth to be used for the loading and unloading of products to be stored and handled at the premises, under which lease the tenant will demolish Shed 154 and construct a new wall for Shed 153 and construct a new building of approximately 41,000 square feet to accommodate refrigerated storage tanks, cold rooms, a building area and administrative offices at an estimated investment of approximately $7 million; the Port Authority will advance up to the tenant up to $4 million for the cost of the realty portion of construction, including site preparation and demolition of Shed 154 and erection of the new wall for Shed 153 and if the expenses for demolition of the shed and construction of the new wall exceeds $200,000, the Port Authority will issue a rental credit to the tenant for the amount over $200,000; the term of the proposed lease with Interamerican Juice Co., Inc. will commence upon completion of construction but not later than June 1, 1985, unless the Executive Director authorizes an extension of the construction period, the lease to provide that in the event that the tenant determines through soil tests that the site is not suitable for its use or that it will be unable to secure permits for the establishment or construction of the facility, the tenant shall have the right to terminate the lease by written notice to the Port Authority given on or before May 25, 1984; the tenant will pay initially a basic rental at the annual rate of $67,500 plus further rental increments equal to $0.50 for each ton of cargo handled by the tenant at Berth 24, with an annual guarantee of $25,000 and $0.10 per gross registered tonnage of vessels per day loading or discharging cargo at the

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Berth for the tenant with an annual guarantee of $4,000, the basic rental tonnage rates and minimum guarantee to be increased every two years by 50% of the increase in the Regional Consumer Price Index from the commencement of the term to the effective date of the increase with, in each case, a 3% minimum and a 5% maximum, the lease to also provide that the tenant will repay over the 25-year term of the lease, at an annual interest rate of 9¾%, an amount consisting of the total sum reimbursed by the Port Authority for the realty costs, in an amount not to exceed $4 million, plus interest at 9¾% per year on progress payments made during construction and will include a right to prepay the unamortized principal of the total amount advanced by the Port Authority plus interest during construction, on the 10th or 15th anniversary of the commencement date of the letting, the tenant to have the right to renew the lease subject to terms being agreed upon six months prior to expiration; the form of the agreement of lease to be subject to approval of General Counsel or his designated representative.

(Board - 4/12/84)

Red Hook Container Terminal Expansion - Amendment to Lease with Universal Maritime Service Corp. - Amendment to Crane Agreement with Universal Maritime Service Corp.

It was reported that, following the authorization by the Board at its meeting on December 8, 1983 of a project for the expansion of the Red Hook Container Terminal, negotiations have been held with Universal Maritime Service Corp., presently the lessee of the whole Terminal. The lessee is operating under a lease authorized by the Board, at its meeting on March 26, 1980, with a term of five years commencing May 1, 1983, with a right in the lessee to extend for two additional five-year periods. The basic annual rental is $500,000 with provision for escalation and there is a usage rental of $20 per through container plus $2 per revenue ton on breakbulk cargo, which includes cargo loaded into or from containers at the Terminal. The usage rental is annually guaranteed in the amount which would be produced by moving 25,000 containers a year and there is provision for escalation at three-year intervals.

The original area occupies 42 acres and the expansion will make the total acreage 76. Under the proposed amendment of the lease, the tenant will have a 20-year term, its commencement based upon completion of the additional construction, and the provisions of the lease as amended will cover the whole Terminal, superceding earlier provisions. There will be a basic rental of $650,000 per year; the usage rental of $20 per through container will continue but the revenue ton rate for breakbulk cargo and cargo stripped and stuffed rises to $2.80. Escalation is provided for: usage rentals may be increased up to 15% for the three-year period commencing May 1, 1987 and each three years thereafter; the basic rental may be increased up to 15% every five years. Either party may terminate the letting without cause on one year's prior written notice effective at the end of the fifth, 10th or 15th year. The usage rental guaranty based on 25,000 containers put through the facility will remain in effect; this would produce revenue of approximately $1.8 million and a projected throughput of 40,000 containers would yield $2,350,000.

At its meeting on January 15, 1981, the Board authorized an agreement with Universal Maritime Service Corp. under which Universal constructed a container crane for the Red Hook terminal being reimbursed by the Port Authority for the costs up to $3.1 million; and leased the crane thereafter at an estimated annual charge of $419,000. As the Terminal activity approaches 25,000 containers annually and involves an increased number of steamship accounts, construction of an additional container berth is required to continued efficient operation. The less expensive manner of providing this is to expand the Terminal to the north, creating an additional container berth on Pier 9A, all as set forth in the authorization of December 8, 1983. For proper usage, this requires an additional container crane. It is proposed therefore to agree with Universal for the provision of an additional container crane, again with reimbursement by the Port Authority for the cost up to $3.1 million. Upon completion of the second crane Universal will pay the Port Authority crane hire for the two cranes at a minimum annual rate of $485,000. During each annual period that the container throughput exceeds 28,000, Universal will pay an additional $40 per container, with a maximum annual payment under the crane agreement of $850,000.

Both of the proposed agreements will be submitted to the Federal Maritime Commission for approval under the Shipping Act of 1916.

These agreements also depend upon an amendment of the three-party agreement with the City and State of New York under which the Red Hook terminal was originallly constructed to provide for the addition.

It was therefore recommended that the Board authorize the Executive Director on behalf of the Port Authority to enter into an agreement with Universal Maritime Service Corp. amending the agreement of lease for the Red Hook Container Terminal to cover the letting of the additional space and extend the term and a second agreement with Universal amending the existing agreement for construction and use of a container crane to provide for an additional crane, both upon the terms and conditions outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement with Universal Maritime Service Corp., amending the existing lease with that corporation covering the Red Hook Container Terminal to add to the premises the 32 additional acres projected to be added to the Terminal, the letting of the new area to be for a period of 20 years based upon completion of construction in the new area and to include the entire Terminal; at an annual basic rental of $650,000 with the usage rental of $20 per container put through the Terminal plus $2.80 per revenue ton for breakbulk cargo and cargo loaded or unloaded from containers at the Terminal; the usage rental to be in the sum not less per year than that which would be produced by 25,000 containers in that year; the Port Authority to have the right to escalate the basic rental up to 15% at five-year intervals from the commencement of the letting and to increase the usage rental up to 15% effective May 1, 1987 and every three years thereafter; either party to have the right to terminate the letting without cause on one year's notice at the end of the fifth, 10th or at the end of the 15th year of the letting of the whole Terminal; the letting to be otherwise based substantially upon the terms and conditions of the existing lease; the form of the agreement to be subject to the approval of General Counsel or his designated representative; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement with Universal Maritime Service Corp. amending the agreement heretofore made for construction and use of a container crane at the Terminal, to provide for construction of a second such crane by Universal with reimbursement by the Port Authority for the costs up to $3.1 million; the crane to be used at the Terminal upon completion and Universal to pay from that time on an annual crane hire for the two cranes of $485,000, with provision further that in any year that the throughput of containers exceeds 28,000, Universal shall pay $40 for each additional container to a maximum annual payment for the two cranes of $850,000; the other provisions of the existing agreement to remain substantially in effect; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

Expansion of Foreign Trade Zone No. 49 to Include a Subzone in Linden, New Jersey

It was recalled to the Board that in 1979, on the basis of a grant from the United States Foreign-Trade Zones Board, the Port Authority established Foreign-Trade Zone No. 49 at Building 200, Port Newark and Building 2280 at the Elizabeth-Port Authority Marine Terminal. The Board, at its meeting on April 10, 1980, authorized the filing of an application to expand the zone to encompass the entire Port Newark/Elizabeth-Port Authority Marine Terminal. Approval of that application by the Foreign-Trade Zones Board was received on May 26, 1983.

The Board, in the past, has authorized the application for a subzone at Ford Motor Company's Edison, New Jersey assembly plant. The Foreign Trade Zones Board approved this application on February 6, 1984. The General Motors Corporation has requested the Port Authority to apply to the Foreign-Trade Zones Board for subzone status for its Linden, New Jersey assembly plant. By assembling vehicles in a subzone, General Motors will be able to compete more effectively in the domestic and world markets. The subzone will enable General Motors to take advantage of the same lower duty rate available to importers of finished automobiles rather than paying the higher duty rates on imported components.

Subzones are special purpose ancillary sites authorized by the Foreign-Trade Zones Board to permit the conduct of operations by firms that cannot be accommodated within an existing general purpose zone, when it can be demonstrated that the activity will result in a public benefit. The Port Authority as grantee of Zone No. 49, the basic zone, will have the ultimate responsibility for the operation of the proposed subzone if the application is approved. General Motors Corporation has agreed to enter into an appropriate agreement with the Port Authority which will insure that the subzone will be operated by it without cost, expense or risk of loss to the Port Authority.

Whereupon, the following resolution was unanimously adopted.

RESOLVED, that the Executive Director and General Counsel be and they are hereby authorized to prepare and file an application with the Foreign-Trade Zones Board of the United States Department of Commerce to expand the Port Authority's presently authorized Foreign-Trade Zone No. 49 to include a subzone to be operated by the General Motors Corporation at its existing assembly plant in Linden, New Jersey and to enter into an operating agreement with the General Motors Corporation regarding the operation of the subzone.

(Board - 4/12/84)

Approval of Permanent Changes in Title and Pay Ranges and Compensation - Lists of Professional, Managerial and Confidential and Executive and High Policymaking Positions

It was reported that pursuant to the Classification, Compensation and Benefits Plan, the Executive Director is required to submit for approval compensation changes in and additions to titles and pay ranges that have been approved by the Chairman of the Committee on Operations during the preceding year. Expanded group health benefits for active employees age 65 to 69, underwhich Port Authority group benefits are "primary" while Medicare benefits are "secondary," were authorized on a temporary basis, retroactive to January 1, 1983, as required by Federal law.

Pursuant to the Declaration of Policy of Tenure of Office, the Executive Director must file an updated list of Professional, Managerial and Confidential positions and newly designated unclassified positions, (including designations made by the Executive Director related to the duties and responsibilities set forth in the By-Laws, resolutions and internal instructions of the Port Authority concerning the positions of Director of Finance and Comptroller and including the Director, Office of Management Information Services) must be approved. Pursuant to the policy on Mandatory Retirement Age for Non-Police Employees, a revised list of Executive and High Policymaking Positions Subject to Mandatory Retirement at Age 65 must also be submitted. These lists, which also include the changes approved herein, will be filed with the Secretary.

Recommendation was made that the Board approve previously authorized temporary changes in group health benefits for active employees age 65 to 69, a revised list of Professional, Managerial and Confidential positions and additional unclassified positions under the Declaration of Policy of Tenure of Office, a revised list of Executive and High Policymaking Positions Subject to Mandatory Retirement at Age 65 under the policy on Mandatory Retirement Age for Non-Police Employees and, under the Compensation Resolution, a revised list of positions, all reflecting changes in titles and temporarily authorized changes in and additions to titles and pay ranges since April 1983.

Approved.

(Board - 4/12/84)

Retention of Independent Auditors for 1984

Under the By-Laws, the Audit Committee has the responsibility to recommend retention of independent accountants for designation by the Board to audit the books and accounts of the Port Authority. Under a policy adopted at its meeting on June 21, 1983, the Audit Committee monitors the independent auditing function and decides annually the question of which firm to recommend to the Board for retention by the Port Authority and for what period of time in light of then current circumstances.

Consistent with that policy, the Audit Committee recommended that the Board retain Touche, Ross & Co. to audit the books and accounts of the Port Authority for the year ending December 31, 1984.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that Touche, Ross & Co. be and it hereby is designated as independent auditors to audit the books and accounts of the Port Authority for the year 1984; and it is further

RESOLVED, that the matter of arranging for such auditing by the above designated auditors be and it hereby is referred to the Audit Committee, in accordance with the By-Laws of the Port Authority.

Whereupon, the meeting was adjourned.

_____

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, May 10, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Robert F. Wagner, Vice-Chairman
Jerry Fitzgerald English	William J. Ronan
Philip D. Kaltenbacher	John G. McGoldrick
William K. Hutchison	Howard Schulman
Henry F. Henderson, Jr.	

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel and Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Robert F. Bennett, Assistant Executive Director/Chief Financial Officer
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director and Director of Administration
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
Philip LaRocco, Director of Economic Development
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Cornelius J. Lynch, Deputy Director of World Trade
Katharine B. MacKay, Executive Assistant to Executive Director
John B. McAvey, Assistant Chief Financial Officer
Rino M. Monti, Chief Engineer
Edward J. O'Malley, Director of Personnel
Martin E. Robins, Director of Planning and Development
Bernard J. Schuman, M.D., Medical Director
Victor T. Strom, Director of Public Safety
Anthony J. Tozzoli, Port Director
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Finance Director/Comptroller
Marvin Weiss, Director, Office of Minority Business Development
Marshal L. Wilcox, Jr., Treasurer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs

The meeting was called to order by the Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of April 12, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on May 10, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on May 10, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on May 10, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on May 10, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

(Board - 5/10/84)

Newark International Airport - Amendment to Contract AN-652 - Allied Aviation Service Company of New Jersey, Inc. - Operation and Maintenance of the Aviation Fuel System

It was recalled to the Board that the Newark International Airport Fuel Storage and Distribution System ("System") consists of tankage, with a capacity of approximately 10 million gallons, connected to an underground pipeline distribution network which delivers aviation fuel to underground hydrant valves on a central terminal building apron area where mobile fuel hydrant carts transfer the fuel from the network into aircraft. Aviation fuel is delivered by truck to those aircraft operating from the north side of the airport and to those commuter aircraft which cannot be fueled by hydrant carts. Under Contract AN-652 ("the Contract") Allied Aviation Service Company of New Jersey, Inc. ("Allied") operates and maintains the System. The Board, at its meeting on August 12, 1982, authorized an extension of the contract for a three-year period, effective May 1, 1982, at an estimated cost of $20.7 million. Of the estimated $20.7 million payable for the three-year term of the extension, it was expected that approximately $19,230,000 would be for the operation and maintenance of the System covered by a payment formula set forth in the Contract, approximately $732,000 represented amortization of the maintenance garage, trucks and special equipment and applicable interest and approximately $675,000 was for other specified services and materials paid for separately to Allied under the Contract. The Contract is supported by a guarantee by Allied Maintenance Corporation, the parent company of Allied Aviation Service Company of New Jersey, Inc.

Newark International Airport is experiencing unprecedented growth in aircraft movements and fuelings as a result of the rapid expansion of People Express Airlines. Total aviation fuel gallonage in 1983 exceeded total 1982 gallonage by almost 29%. As the System's operator, Allied currently maintains and operates 18 refuelers which it owns and which, until recently, were adequate to provide service to those aircraft operating from the north side of the airport and not having access to the underground hydrant portion of the System. However, People Express' growth at the North Terminal, coupled with increased numbers of cargo operations by Federal Express, United Parcel Service, Emery Air Freight and others, has substantially increased the number of truck fuelings. Commuter airline activity in the Central Terminal Area at the airport has also increased substantially and Allied is presently fueling 52 commuter flights daily, compared to 12 commuter flights fueled daily in March 1983. Consequently, whereas aircraft serviced by refuelers amounted to 27% of the total aircraft fueled in May 1982, aircraft serviced by refuelers has increased to 51% of the total aircraft fueled in February 1984. Truck fueling is anticipated to reach 60% of the total fueling during the last contract year of the Contract.

As a result, Allied has incurred additional expenses in staffing, payroll and in maintenance and materials costs. Under the current terms of the Contract, Allied furnished to the Port Authority a projection of specified costs for each of the three years of the extension which commenced May 1, 1982. Based on these projected costs, the Contract contains tables of monthly gallonage fees for each contract year. The amount payable under these tables is the maximum amount payable to Allied with respect to the operation and maintenance of the System other than the amortization amounts and interest applicable thereto to the maintenance garage, trucks and specialized equipment and payments for specified services and materials. The expanded fueling by truck is a major change in the scope of the operation on which Allied had based its cost projections for the current three-year extension and has resulted in substantial overruns in Allied's actual costs of operating the System.

(Board - 5/10/84)

Allied has reported that it has incurred additional costs of approximately $1.1 million during the first 22 months of the current extension as a result of the increase in aviation fuel gallonage and particularly in truck fueling at the north end of the airport. Staff has audited Allied's records for the first 22 months of the current extension (May 1982-February 1984) and verified Allied's reported overrun amounting to approximately $1.1 million. Staff is currently reviewing Allied's projected costs for the remaining months of the current extension (March 1984-April 1985).

Inasmuch as the scope of the fueling operation on which Allied had prepared its projected costs has changed significantly, authorization is requested to enter into an amendment to the Contract to increase the amount payable for the operation and maintenance of the System by approximately $4.4 million from $20.7 million to $25.1 million through April 30, 1985, the scheduled expiration date of the Contract. However, Allied's management fee will not be increased. In addition, in view of the substantial overrun in expenses, Allied has already incurred to meet the increased demand for fueling services at the airport, authorization is requested for the Port Authority to enter into a letter agreement covering making of an interim payment to Allied of $500,000 pending completion of staff's review of Allied's records and completion of negotiations to amend the Contract, said interim payment to be repaid to the Port Authority in the event the Contract is not so amended.

In addition, because of the increased activity at the north end of the airport, it has become necessary to add refuelers to the fleet. However, because of the extended lead time to purchase new trucks, agreement was reached with Allied to lease five refuelers to the Port Authority, which meet Port Authority specifications, to supplement the truck fleet to meet the increased demand. The leased trucks were previously used at LaGuardia Airport and refurbished by Allied for service at Newark International Airport. The rental rate for each truck will be $800 per month. Staff is also considering the leasing of up to five more trucks to meet the ever-increasing demand. Rental rates for the additional trucks will be based on the type, size and condition of the vehicles. Authorization is requested for the Port Authority to lease up to 10 refuelers from Allied on a month-to-month basis at a total estimated cost of $200,000 through April 30, 1985, the scheduled expiration date of the Contract. The cost of operating and maintaining the leased refuelers will be borne by Allied and included in the proposed amendment to the Contract to be negotiated with Allied.

Under the original terms of the Contract, Allied purchased 14 - 10,000 gallon tank trucks and four - 5,000 gallon tank trucks at a total cost of $1,226,674. As a result of the increased activity at the north end of the airport, the vehicles are being used far beyond their anticipated usage and maintenance is becoming costly. The lead time to manufacture and deliver new vehicles is approximately 12-18 months and staff recommends that action be taken now to purchase new refuelers to meet increased refueler requirements and to phase out the existing 18 trucks. Authorization is requested for the Executive Director to enter into a contract with the lowest qualified bidder after public advertisement to purchase 10 new 10,000 gallon refuelers, with the Port Authority to have the option to increase the number of units up to 15, the total estimated cost for the 15 vehicles being $3 million.

Funds for these additional expenditures have not been provided in the 1984 Budget and will represent an increase in the 1984 Budget. However under the Master Airline Leases at Newark International Airport, the amounts payable by the Port Authority to the operator of the System, including payments for truck leasing and purchase of new trucks, whether by the operator or the Port Authority, plus the amortization of the Port Authority's investment in the System are payable by the airlines through an adjustable fuel fee formula based on total cost and gallonage. Funds will be provided in subsequent years' budgets. The airlines were advised, at a meeting with the Port Authority, of its intention to negotiate the amendment with Allied for the proposed increase in the total estimated cost of the contract and no objections were made.

The Newark International Airport Master Leases provide a procedure for airline lessee comment or objection to the performance of the contractor. Further, the leases provide that if the Port Authority and a majority of the Airline Lessees are satisfied with the System contractor's performance, the Port Authority shall proceed to negotiate with the same contractor for an extension of the Contract for an additional term of three years. The Newark International Airport Lessee Airlines have been requested to advise if the present contractor, Allied Aviation Services Company of New Jersey, Inc. is satisfactory. The Aviation Department considers Allied's performance to be satisfactory. After the majority of the Newark International Airport Airline Lessees have advised the Port Authority that Allied's performance has been satisfactory, the Port Authority will proceed to negotiate with Allied for an extension of the Contract for a three-year period from May 1, 1985 through April 30, 1988. Authorization for such contract extension would be requested of the Board upon completion of the negotiations.

It is therefore recommended that the Board authorize:

1. the Executive Director to enter into an amendment to Contract AN-652 with Allied Aviation Service Company of New Jersey, Inc. providing for an increase in the estimated cost of the Contract from $20.7 million to $25.1 million, for the operation and maintenance of the System through April 30, 1985;

2. the Director of Aviation to make an interim payment in the amount of $500,000 to Allied pending completion of negotiations covering the amendment to Contract AN-652, the said interim payment to be covered by a letter agreement between the Port Authority and Allied and to be repaid to the Port Authority in the event there is no executed amendment to the Contract;

3. the Director of Aviation to lease up to 10 refuelers from Allied on a month-to-month basis at a total estimated cost of $200,000 through April 30, 1985, exclusive of operation and maintenance costs; and

4. the Executive Director to enter into a contract with the lowest qualified bidder after public advertisement for the purchase of 10 new 10,000 gallon refuelers with the Port Authority to have the option to increase the number of units up to 15, the total estimated cost of 15 vehicles being $3 million; all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement with Allied Aviation Service Company of New Jersey, Inc. supplemental to and amending the present Contract with Allied Aviation Service Company of New Jersey, Inc. covering the operation and maintenance of the Aviation Fuel System at Newark International Airport, with the agreement to provide for an increase in the amount payable for the operation and maintenance of the System under the Contract by approximately $4.4 million from an estimated cost of $20.7 million to an estimated cost of $25.1 million through April 30, 1985, the expiration date of the Contract; and it is further

RESOLVED, that the Director of Aviation for and on behalf of the Port Authority be and he hereby is authorized to enter into a letter agreement with Allied Aviation Service Company of New Jersey, Inc. to provide for an interim payment to Allied in the amount of $500,000 pending the completion of negotiations between the Port Authority and Allied with respect to the aforesaid amendment of the Contract, with the letter agreement to provide that the said interim payment is to be repaid to the Port Authority by Allied in the event there is no such amendment to the Contract; and it is further

RESOLVED, that the Director of Aviation for and on behalf of the Port Authority be and he hereby is authorized to enter into a lease agreement with Allied Aviation Service Company of New Jersey, Inc. covering the leasing by the Port Authority from Allied of up to 10 refueler trucks on a month-to-month basis through April 30, 1985 at a total estimated cost to the Port Authority of $200,000, with the costs of operating and maintaining said trucks to be borne by Allied and included in the proposed amendment to the Contract to be negotiated with Allied; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize the acceptance of the lowest bid on a contract for the furnishing of up to 15 new 10,000 gallon refuelers for use at Newark International Airport, submitted by that bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable or to authorize the rejection of all bids; and it is further

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

(Board - 5/10/84)

The World Trade Center Battery Park City Heliport - New Permit with Antl, Inc.

It was reported that Antl, Inc., a wholly-owned subsidiary of Resorts International, Inc., has requested permission to operate helicopter service between The World Trade Center-Battery Park City Heliport (WTC-BPCH) and its casino in Atlantic City, New Jersey. Antl, Inc. will own and/or lease the helicopters it will operate and intends to provide a service available to the public on a scheduled basis at a per passenger charge.

As the result of the closing of the Downtown Manhattan Heliport (DMH), helicopter operations conducted at the DMH were transferred to the WTC-BPCH. The Battery Park City Authority (BPCA) has agreed to the expanded use of the WTC-BPCH pursuant to a letter agreement with the Port Authority dated September 16, 1983, as amended by a second letter agreement dated November 23, 1983, which approval may be revoked by the BPCA upon 24 hours' notice to the Port Authority.

Negotiations are continuing between the Port Authority and the BPCA on terms and conditions of a new license agreement covering the WTC-BPCH which would be for a term through March 31, 1986.

The permit proposed to be issued by the Port Authority to Antl would be effective on or about June 1, 1984 and would expire March 31, 1986, coterminus with the expiration date of the Port Authority's proposed new license agreement with the BPCA for the Heliport, if and when executed. The proposed permit with Antl would include the Port Authority's right to terminate the permit on 30 days' notice without cause.

In the event the proposed new license agreement with the BPCA is not fully executed by June 1, 1984 (the intended effective date for the proposed permit with Antl, Inc.), an interim permit would be issued to Antl expressly subject to the Port Authority's right to terminate the interim permit without cause on 24 hours' notice and subject to BPCA's approval.

Fees under the proposed permit would be consistent with the "bulk-rate" program at the DMH which assesses one-half the rate as set forth in the Port Authority Schedule of Charges for Air Terminals and requires an advance payment each month covering the first 40 take-offs per month regardless of the actual number of take-offs and calls for one-half the rate in the Schedule of Charges for each take-off over 40 per month.

In order to properly accommodate Antl's helicopters at the WTC-BPCH, particularly for parking purposes, it is essential that certain construction work be performed at the Heliport including additional paving, electrical and fencing installations. This construction work, which will be paid for by Antl, is estimated to cost $100,000 and will be subject to: (a) the terms of the proposed permit and to the prior approval of the Port Authority and of the BPCA and (b) the terms of the proposed license agreement between the Port Authority and the BPCA. Also, Antl will install, subject to the approval of the Port Authority and BPCA, a trailer at the Heliport, at no expense to the Port Authority, which will serve as Antl's passenger facility and administrative office pursuant to the proposed permit.

In the event the Port Authority terminates the proposed permit or the interim permit with Antl without cause, or in the event BPCA for any reason terminates the Port Authority's operation of the Heliport, the Port Authority would reimburse Antl for its unamortized investment arising out of the said construction at the Heliport, such reimbursement not to exceed $100,000. Should the Port Authority be required to make such reimbursement, it would do so at the risk that certain items of the construction may become the property of the BPCA pursuant to terms of the proposed license agreement. However, Port Authority reimbursement, if and when required, would not cover any of Antl's expenses with respect to its trailer.

Antl has indicated that it understands that the Port Authority's proposed license agreement with the BPCA for the Heliport has not yet been agreed upon or executed, which, if and when executed, would run through March 31, 1986. Further Antl would not be reimbursed for its unamortized investment in the event the proposed permit, or the interim permit, were terminated for cause.

Antl has indicated it desires to continue as a Port Authority permittee in the operation of its helicopters at the rehabilitated DMH, at such time as that facility is reactivated.

A security deposit will be required to be submitted by Antl.

It was therefore recommended that the Board authorize the Executive Director to enter into a permit with Antl, Inc. covering its helicopter operations and construction at the WTC-BPCH, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a permit with Antl, Inc. for the operation of its helicopters at The World Trade Center-Battery Park City Heliport, such permit to obligate the Port Authority to reimburse Antl, Inc. for its unamortized capital investment arising out of construction work performed by Antl or by the Port Authority and paid for by Antl, in the event the Port Authority terminates without cause the permit, or any appropriate interim permit, entered into with Antl, or in the event the Port Authority's operation of the Heliport is terminated for any reason by The Battery Park City Authority, such reimbursement to be in an amount not to exceed $100,000, with the said construction to consist of additional paving, electrical and fencing installations, subject to the prior approval of the Port Authority and the Battery Park City Authority and subject to the terms of the permit, and any interim permit with Antl and to the terms of the Port Authority's agreement with the Battery Park City Authority with the form of said permit and interim permit to be subject to the approval of General Counsel or his designated representative.

(Board - 5/10/84)

Kennedy International Airport - New Taxiway "X" North of Runway 13L-31R - Project Authorization

It was reported that approximately 40% of all arriving aircraft at Kennedy International Airport utilize Runway 13L-31R. The parallel taxiway serving this runway is to its immediate south and landing aircraft usually exit to this taxiway. Aircraft desiring to go to a cargo terminal or hangar on the north side of the runway must wait as much as 30 minutes for clearance from the Control Tower and then must cross over the runway to the north.

In the years since Runway 13L-31R was opened, several new cargo buildings have been constructed and hangars modified to handle cargo operations to its north. Furthermore, there are vacant sites in this area which are expected to be developed in the future for additional cargo facilities. These buildings have generated substantial aircraft traffic which must cross Runway 13L-31R to enter and leave their sites. Having to wait for clearance to cross this runway is costly to the airlines in terms of idle time and fuel consumption.

Additionally, Runway 13L-31R is used for taxiing and queuing for departures on Runways 22R and 22L, causing accelerated deterioration of Runway 13L-31R. Construction of the proposed new Taxiway "X", parallel to and north of Runway 13L-31R, will increase the runway life and save the airlines, according to an FAA analysis, an estimated $5 million in fuel costs per year by permitting Taxiway "X" to be used for taxiing and queuing for Runway 22R and 22L departures.

The proposed Taxiway "X" will therefore provide direct access to and from Runway 13L-31R to the north cargo area, with minimal or no delays, and provide an alternatue route for aircraft desiring to depart from Runways 22R or 22L. Staff estimates the cost of the construction of Taxiway "X" to be approximately $17,573,800.

It was therefore recommended that the Board authorize a project for the construction of a new taxiway, to be denominated Taxiway "X", parallel to and north of Runway 13L-31R at Kennedy International Airport, the expenditure therefor presently being estimated at approximately $17,573,800 including payments to contractors, an allowance for extra work, and engineering, administrative and financing expenses.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project for the construction of a new taxiway, to be denominated Taxiway "X", parallel to and north of Runway 13L-31R at Kennedy International Airport, the expenditure therefor presently being estimated at approximately $17,573,800 including payments to contractors, an allowance for extra work, and engineering, administrative and financing expenses be and it hereby is authorized.

(Board - 5/10/84)

Newark International Airport - General Cleaning- Contract PSE-396

It was recalled that the Board, at its meeting on June 24, 1981, authorized award of Contract PSE-344, General Cleaning at Newark International Airport, to Ebon Services International, Inc., the low bidder from a select list of minority entrepreneurs, and authorized the Executive Director, at his discretion, to enter into an agreement extending the contract for one additional two-year period in accordance with the terms of the contract. This contract included cleaning of the North Terminal, the Central Tolls Plaza and the Facility Administration/ Police Garage Building. The rapid growth of North Terminal passenger activity substantially increased the level of cleaning services required in that building and it was determined that these services would best be provided under a separate contract (Contract No. PSE-373) which, it is recalled, was also awarded to Ebon Services International, Inc., as low bidder from a select list of minority entrepreneurs, as authorized by the Board at its meeting on August 11, 1983.

It is now proposed to combine the remaining cleaning functions under Contract PSE-344, which had been extended pursuant to negotiated agreement and will expire on May 31, 1984, with the new cleaning requirements of the Federal Inspection areas of Terminal C as it becomes operational, under a new two-year contract, to be effective on or about June 1, 1984, which will include cleaning of said areas of Terminal C, the Central Tolls Plaza and the Facility Administration/Police Garage Building. The proposed contract contains an option in the Port Authority to renew for two additional two-year periods at adjusted prices based upon changes in the cost of materials and labor, as provided in the contract, and subject to mutual agreement of the parties and the execution of an extension agreement. If the parties should fail to agree upon the adjusted compensation for any renewal period or if for any other reason either of the parties should refuse to execute an extension agreement the contract would not be extended.

The contract also provides that the Port Authority may order extra work thereunder at a cost of up to 25% of the estimated total contract price for the initial two-year term and for any extension thereof.

The Port Authority wage provisions requiring the contractor to pay employees in certain job classifications at least specified wages and benefits are included in the contract.

Bids were publicly advertised on February 17, 1984 and solicited from 150 firms staff deemed might be interested. Potential bidders were notified that they had to meet certain prerequisites which consist of the following:

1. experience in commerical or industrial cleaning for at least five years prior to the submission of the proposal;

2. gross annual income from cleaning operations during the preceding 12-month period of at least $1,225,000; and

3. a minimum of 125 full-time employees engaged in cleaning activities as of 45 days prior to bid opening.

(Board - 5/10/84)

On March 20, 1984 bids were received providing total estimated contract prices (not including amounts which may be paid for extra work) as follows:

Bidders	Total Estimated Contract Price
Control Building Services, Inc.	$ 640,490
Temco Services Industries, Inc.	752,414
Aetna Maintenance, Inc.	803,339
Corporate Building Maintenance, Inc.	838,667
International Total Services, Inc.	872,051
Kleen - Rite Corp.	875,880
Dunn & Sons Maintenance Corp.	886,362
Triple A Maintenance Corp.	905,854
A to Z Maintenance Corp.	943,956
Porterhouse Maintenane	954,701
Cycle Building Maintenance, Inc.	959,920
Allied Building & Airport Services, Inc.	990,593
Hispanic Maintenance Services, Inc.	1,038,772
Pritchard Services, Inc.	1,111,717

In addition to the aforesaid bids, the following bids were received which set forth rates lower than the Port Authority wages and benefits requirement and accordingly did not comply with the bid papers.

Bidders	Total Estimated Contract Price
Cleaning Emporium, Inc.	$ 564,758
Unified Services, Inc.	698,946
Motley Shampooing Company	1,122,726

Control Building Services, Inc. the lowest bidder submitting a responsive bid is deemed to be financially capable and to have adequate cleaning business experience to perform successfully under the contract. The bid of Control Building Services, Inc., having been approved as to form by General Counsel, was placed before the meeting.

The successful bidder may be required to obtain a performance and payment bond for each year of the term of the contract, including any extension, with the cost thereof to be reimbursed by the Port Authority.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to award Contract PSE-396 at Newark International Airport to Control Building Services, Inc. at the estimated total contract price of $640,490.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, the Port Authority has invited bids for the awarding of Contract PSE-396 for the cleaning of the Federal Inspection areas of Terminal C, the Central Tolls Plaza and the Facility Administration/Police Garage Building at Newark International Airport; and

WHEREAS, bids for the aforesaid contract were submitted to the Port Authority, were publicly opened and then carefully compared and the qualifications of the bidders carefully investigated; and

WHEREAS, Control Building Services, Inc. has submitted a bid for the performance of said contract with a total estimated contract price of $640,490 and the Port Authority is satisfied that said bidder is qualified by reason of responsibility, experience and capacity to perform the contract if it be awarded to it and that the public interest will be best served by accepting the bid of said bidder;

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to accept said bid in the manner provided for in the said contract for a two-year term effective on or about June 1, 1984 for a two-year total estimated contract price of $640,490 plus additional amounts for extra work of up to 25% of the said total estimated contract price that may be ordered at the discretion of the Director of Aviation in accordance with the contract; the contractor to be obligated to pay employees in certain job classifications at least the wages and benefits specified in the contract and the contractor to also be obligated, upon, request, to obtain a performance and payment bond for each year of the contract, including each of the extension years, the Port Authority to reimburse the contractor for the cost of such bond; and it is further

RESOLVED, that the Director of Aviation be and he hereby is authorized for and on behalf of the Port Authority to enter into agreements extending Port Authority Contract PSE-396 for two additional two-year periods at the prices in effect immediately prior to the respective extension period as adjusted based solely on estimated changes in the contractor's costs of labor and materials as verified by Port Authority audit; and it is further

RESOLVED, that until the Executive Director shall give formal notice to the bidder accepting said bid, as provided in the bid papers, this resolution shall not be construed as acceptance of said bid; and it is further

RESOLVED, that upon acceptance of said bid, the Port Authority staff members designated by title in said contract to exercise certain powers and duties be and they hereby are authorized to exercise said powers and duties and to do all things required or permitted by said contract to be done by them.

(Board - 5/10/84)

Settlement of Claims of The Port Authority of New York and New Jersey against Braniff Airways, Incorporated

It was reported that, as part of its Chapter 11 Bankruptcy proceeding, Braniff Airways, Incorporated (now Dalfort Corporation) is willing to settle a Port Authority administrative claim of approximately $780,000 by the immediate payment of $400,000, with the balance of the administrative claim to be added to the Port Authority's pre-bankruptcy claim of approximately $2,250,000, so that the Port Authority's claim as an unsecured creditor will total approximately $2,625,000.

The settlement is believed to be most favorable since approximately $133,000 of a $780,000 administrative claim is attributable to the deferred payment fund under Lease AN-539 at Newark International Airport, and there are substantial legal questions as to whether the Port Authority would succeed in having the deferred payment fund recognized as a claim entitled to an administrative preference. Further, Braniff has successfully argued in the Bankruptcy Court and on an appeal before the District Court in a case involving another airport operator that as Braniff had largely ceased operation on the filing of its petition in bankruptcy, its only obligation during the administration of the debtor's estate is to pay for the actual square footage occupied by it at a rate appropriate to the storage use rather than the rent provided for in the lease. There is considerable case law to support this position.

If Braniff's legal and valuation positions were accepted by the Court, the Port Authority would receive an award of approximately $39,000 on its administrative claim. If the Court were to adopt Braniff's position with respect to limiting its liability to the areas physically occupied but apply the rent stated in the lease to the areas actually occupied, the Port Authority's administrative claim would be worth perhaps $100,000. Accordingly, a $400,000 settlement would certainly seem favorable when the maximum value of the Port Authority's administrative claim, based on the Port Authority's legal theory, would probably be $665,000, excluding the deferred payment fund.

Of the balance of the unsecured claim, approximately $1.3 million is attributable to the deferred payment fund prior to the filing and $400,000 is attributable to a leasehold claim under AN-539, which is the maximum amount for such claim under the lease. With respect to the $2,625,027, which is being treated as the claim of an unsecured creditor, as are all other unsecured creditors in the Port Authority's class, the Port Authority will receive stock in Dalfort Corporation, the value of which is yet to be determined. The value of the stock will be dependent on the total amount of allowed unsecured claims and market conditions and authority to sell the stock, as soon as it is prudent to do so, is sought herein.

In addition, Braniff agrees to make a payment of $1,630 per month commencing February 1, 1984 in connection with some outdoor space adjacent to Hangar 4 at Kennedy International Airport, which it formerly leased in Lease AY-917. It has agreed to vacate this space by no later than September 30, 1984. This rental represents the current rate being obtained by the Port Authority in recent leases at Kennedy International Airport for outdoor space.

The settlement will avoid the necessity of hiring real estate experts and save litigation costs, including likely appeals.

The Bankruptcy judge has approved this settlement.

(Board - 5/10/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director and General Counsel be and they hereby are authorized to enter into a settlement of the Port Authority's claim for $3,025,000, in the pending reorganization of Braniff Airways, Incorporated (now Dalfort Corporation) by immediate payment of $400,000 with the balance of the claim (approximately $2,625,000) to be allowed as the pre-bankruptcy claim of an unsecured creditor, and compensated for through stock to be issued by Dalfort Corporation, with the Executive Director authorized to sell the stock as soon as it is prudent to do so.

(Board - 5/10/84)

LaGuardia Airport - "Perimeter Rule" Interim Rule and Study

It was reported that operations at LaGuardia Airport have been restricted as to non-stop length of flight segments and destinations since the late 1950's. Although the flight radius has varied, Aviation Department policy has been to preserve LaGuardia's capacity for short and medium-haul domestic flights except for pre-cleared international service to Montreal and Toronto, Canada, which are "grandfathered" under the current policy. This policy has been set forth in letters to air-carriers, submission to the Civil Aeronautics Board and in Section 48 of the proposed LaGuardia lease, with which prospective lessees have been familiar since 1978 and about which the Commissioners were informed in 1979.

Circumstances have recently arisen that have brought this policy into contention. Air Canada has relocated from the British Airways Terminal at Kennedy International Airport to LaGuardia Airport. Initially, after relocation, Air Canada utilized United's terminal at Kennedy International Airport to provide non-stop service to and from Calgary, Canada. On February 29, 1984, Air Canada officially notified the Port Authority of its intention to inaugurate a Calgary flight at LaGuardia on April 29, 1984, in violation of the Port Authority's policy. Subsequent correspondence and communications failed to dissuade Air Canada. Air Canada and the Port Authority have mutually agreed that the commencement of Calgary service would be without prejudice to the Port Authority's respective legal positions.

In addition, the new Boeing 767 aircraft are being operated by a number of airlines at LaGuardia Airport. The 767 has the capability of flying transcontinental non-stop from/to LaGuardia Airport. Other aircraft, such as the 747, have been unable to provide such service due to weight and landing gear configuration restrictions on LaGuardia's runways. Several airlines have approached the Port Authority seeking permission to institute non-stop 767 transcontinental service.

Staff has conducted a preliminary review of the perimeter policy, in light of these events, and has tentatively concluded that the interests of the public and the airlines are well served by the continuation of some type of perimeter policy, particularly in view of the limited physical facilities and other inherent limitations of LaGuardia Airport and the larger capacities of Kennedy International and Newark International Airports.

Staff suggests that it should solicit comments from interested parties on the current perimeter policy and on any alternatives that staff or other concerned parties believe should be considered by the Commissioners. Until further action by the Board, the current policy is to be effective.

It was recommended that the Board authorize the study as outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board hereby directs staff to conduct a comprehensive study of the current policy that permits LaGuardia Airport to be utilized for non-stop flights only to and from points within the continental United States that are located within 2,000 miles of LaGuardia Airport and to and from the "grandfathered" Canadian cities of Montreal and Toronto, and further directs staff to solicit comments from all interested parties (e.g. airlines, Federal agencies and departments, state and local organizations, public interest groups, etc.), staff shall present its recommendations to the Board for its consideration and further action approximately 90 days after adoption of this resolution; and it is further

RESOLVED, that until further action by the Board the current policy with regard to utilization of LaGuardia Airport shall remain in effect.

The World Trade Center - Contract WTC-699.03A - Electrical Systems - Operation, Maintenance and Alteration - Exercise of Option

It was recalled that the Board, at its meeting on May 11, 1978, authorized the award of Contract WTC-699.03A, Electrical Systems, Operation, Maintenance and Alteration, to Broadway Maintenance Corporation, a firm based in New York City, New York, at an estimated expenditure of $6,692,924, which included the contractor's estimated reimbursable costs of $4,538,066 including escalation, a management fee of 4% yielding an estimated payment of $181,523, classified work at an estimated amount of $510,335, and time and material work at an estimated amount of $1,463,000. The contract, for a three-year period commencing July 1, 1978, also provides for an option to renew on the part of the Port Authority for two additional three-year periods. Contract WTC-699.03A requires the contractor to furnish all labor and direct supervision including craftsmen, clerical, supervisory and management personnel necessary for the operation and maintenance of all electrical equipment and systems servicing The World Trade Center and for electrical construction and modification work to be performed generally as a service to World Trade Center tenants.

On March 25, 1980 and September 9, 1980, respectively, the Executive Director authorized the award of Supplements I and II to Contract WTC-699.03A in amounts of $4,000, exclusive of an authorization for extra work in the amount of $400 and $4,700, exclusive of an authorization for extra work in the amount of $470. Also, the Board, at its meeting on February 11, 1981, authorized an increase in authorized contract expenditure in an amount of $1.7 million.

Subsequently, the Board, at its meeting on April 29, 1981, authorized the exercise of the first three-year option at an estimated expenditure of $10.1 million, which included the contractor's estimated reimbursable costs of $5.2 million including escalation, a management fee of 4% yielding an estimated payment of $208,000, classified work at an estimated amount of $1,313,760 and time and material work at an estimated amount of $3,378,240.

In the past staff has found that in order to minimize disruptions to base building systems, and in order to expedite tenant requests for repairs and or modifications, it has been beneficial to utilize the services of the electrical systems contractor then working at The World Trade Center. Since the compensation to the contractor under Contract WTC-699.03A is considered fair and reasonable and the contractor's performance has been satisfactory, staff has determined that it is in the Port Authority's interest to extend the contract for the final three-year option period effective July 1, 1984.

It was therefore recommended that the Board authorize the Executive Director to exercise the second three-year option to renew Contract WTC-699.03A, Electrical Systems, Operation, Maintenance and Alteration, The World Trade Center, with Broadway Maintenance Corporation, at an estimated expenditure of $12.7 million, which includes the contractor's estimated reimbursable costs of approximately $6.72 million including escalation, a management fee of 4% yielding an estimated payment of $280,000, classified work at an estimated amount of $1.7 million and time and material work at an estimated amount of $4 million, the three-year extension period to be effective July 1, 1984. Of the total estimated expenditure of $12.7 million, approximately $3.2 million is estimated to be World Trade Center tenant recoverable work.

(Board - 5/10/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to exercise the second three-year option to renew Contract WTC-699.03A, Electrical Systems, Operation, Maintenance and Alteration, The World Trade Center, with Broadway Maintenance Corporation, at an estimated expenditure of $12.7 million, which includes the contractor's estimated reimbursable costs of approximately $6.72 million including escalation, a management fee of 4% yielding an estimated payment of $280,000, classified work at an estimated amount of $1.7 million and time and material work at an estimated amount of $4 million, the three-year extension period to be effective July 1, 1984, and the form of the exercise of the option to be subject to the approval of General Counsel or his authorized representative.

The World Trade Center - Contract WTC-499.45 - Security Guard Service and Contract WTC-499.51 - Security Guard Service - Below Grade Areas - The World Trade Center - Award

It was reported that the current contract for security guard services, Contract WTC-199.59, expires June 30, 1984 with no renewal options remaining. In order to accept bids and award the new contracts prior to the expiration of the existing agreement, and allow the successful low bidders sufficient lead time for hiring employees, purchasing equipment and materials and carrying out other things necessary for contract start-up, the awards must be made in early June 1984.

Contract WTC-499.45 provides for the furnishing of unarmed guard personnel for the protection of life and property and for safeguarding materials and equipment for all tenants, visitors, construction and maintenance employees and Port Authority employees located in the North and South Tower Buildings, the Northeast and Southeast Plaza Buildings, Concourse and Plaza areas of The World Trade Center. Contract WTC-499.51 provides for the furnishing of all services provided on Contract WTC-499.45 in the below grade areas of The World Trade Center.

In order to provide an enhanced opportunity for minority participation in guard service at The World Trade Center, staff, in consultation with the Office of Minority Business Development, reviewed the qualifications of all minority guard services currently known to the Port Authority. From this list, minority companies were identified as having the general qualifications to merit a detailed prequalification review including extensive reference checks. The five companies solicited were found to have all the managerial, financial and experiential requirements necessary to successfully provide the security services for the below grade areas at The World Trade Center complex, (Contract WTC-499.51).

Proposals will be solicited on or about May 1, 1984 and receipt of bids are expected on May 23, 1984. Following a review of the low bid, staff anticipates submitting the low proposals to the Executive Director for his award in early June 1984. The estimated costs of $5.6 million and $1.1 million are considered fair and reasonable.

It was recommended that the Board authorize the Executive Director to award these contracts.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to accept in the manner provided therein the proposal of the lowest qualified bidder under Port Authority Contract WTC-499.45 for the performance of security guard services at The World Trade Center for a two-year period, at a cost presently estimated at $5.6 million for the two-year period, in accordance with the terms and provisions thereof; and it is further

(Board - 5/10/84)

RESOLVED, that the Director, World Trade Department, be and he hereby is authorized to enter into agreements extending said contract for two additional one-year periods with an adjustment in compensation due the contractor during the extension periods based on the contractor's changed costs of labor and materials required for the furnishing of guard services; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to accept in the manner provided therein the proposal of the lowest qualified bidder under Port Authority Contract WTC-499.51 for performance of security guard services at The World Trade Center, below grade levels for a two-year period, at a cost presently estimated at $1.1 million for the two-year period, in accordance with the terms and provisions thereof; and it is further

RESOLVED, that the Director, World Trade Department, be and he hereby is authorized to enter into agreements extending said contract for two additional one-year periods with an adjustment in compensation due the contractor during the extension periods based on the contractor's changed costs of labor and materials required for the furnishing of guard services; and it is further

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

(Board - 5/10/84)

The World Trade Department - The Teleport - Contract TP-110.014 - Radio Frequency Interference Shield and Antennae Infield - Authorization to Award

It was reported that proposals were solicited from a list of approximately 20 contractors on Contract TP-110.014 for the erection of radio frequency interference shielding and site work, including installation of electrical power, storm drainage, communication ducts and paving of access roadways all for The Teleport, and are presently scheduled to be received on May 21, 1984.

In order that construction may start as soon as possible after the receipt of proposals, it was recommended that the Board authorize the Executive Director to authorize the award of Contract TP-110.014 to the lowest qualified contractor.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize the acceptance of that proposal on Contract TP-110.014 for the erection of radio frequency interference shielding and site work, including installation of electrical power, storm drainage, communication ducts and paving of access roadways all for The Teleport, submitted by the lowest contractor who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose proposal price the Executive Director deems reasonable or to authorize the rejection of all proposals; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to order extra work up to an amount equal to 10% of the proposal on said contract accepted by the Port Authority without further Board or Committee approval.

(Board - 5/10/84)

The World Trade Center - Amendment to Proposed Lease with the City of New York - Municipal Broadcasting System (WNYC-TV and WNYC-FM)

It was recalled that the Board, at its meeting on January 14, 1982, authorized an agreement of lease with the City of New York for the letting of space on the 110th floor of the North Tower Building and the licensing of antenna and related facilities for TV and FM broadcasting, by the Municipal Broadcasting System, from the masts located on the roof of the North Tower Building at The World Trade Center. Under the originally proposed agreement of lease, the Port Authority would provide the City with a turnkey operation and the Port Authority would bear the initial costs thereof with the City agreeing to repay the excess of those costs over $1,414,400 over the 20-year term of the lease together with interest at 14%. The approximate amount of the excess cost, at the time the originally proposed lease was negotiated, was estimated to be $750,000, including a provision for overhead.

Three qualified bidders were solicited to provide the turnkey operation and only one bid was received and that from the Harris Corp. A review of this bid by the City and the Port Authority disclosed that an expenditure of approximately $2.8 million will be required to provide the City with a turnkey broadcast operation. Under the proposed revised lease agreement, the City will be responsible for payment of the approximately $1.4 million of costs in excess of the $1,414,400. Currently, the City has $400,000 available for this project and will seek approval from the Board of Estimate, in May or June, to expend the additional $1 million required. Accordingly, the revised lease agreement will provide that the City may elect to amortize this anticipated $1 million excess, including a provision for overheads, at a 12½% annual interest rate over the approximate 18½-year lease term. In the event of cancellation or termination of the lease or if the lease agreement is not extended, the City will repay the Port Authority the unamortized balance of the Port Authority costs in excess of $1,414,400. The City will have the right at any time to prepay all or part of the excess amount.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement of lease with the City of New York for the letting of space on the 110th floor of the North Tower Building of The World Trade Center and the licensing of antenna and related facilities for TV and FM broadcasting upon the terms and conditions as previously authorized by the Board with the changes therein outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement of lease with the City of New York covering the letting of space on the 110th floor of the North Tower Building of The World Trade Center and the licensing of antenna and related facilities for TV and FM broadcasting, upon the terms and conditions previously authorized by the Board, at its meeting on January 14, 1982, with the following changes: the revised lease agreement will provide that the City will be responsible for payment of the approximately $1.4 million of the Port Authority's costs in excess of the $1,414,400 of providing a turnkey operation for the City's broadcasting facilities, with the City having the right to elect to amortize $1 million of the excess, including a provision for overheads, at a 12½% annual interest rate over the approximate 18½-year lease term, and in the event of

cancellation or termination of the lease agreement, or if the lease agreement is not extended, the City will repay the Port Authority the unamortized balance of the Port Authority costs in excess of $1,414,400, the City to have the right at any time to prepay all or part of the excess amount; the form of the lease agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 5/10/84)

The World Trade Department - Newark Riverfront Project - Retention of the Grad Partnership

It was recalled that the Board, at its special meeting on June 29, 1983, authorized the Executive Director to commence appropriate studies and planning, at a cost not to exceed $600,000, in connection with the proposed development of a new commercial center in the City of Newark. The Governors of New York and New Jersey have agreed that the Port Authority should proceed with the development of an office building in that center and a pedestrian walkway connecting the building in that center to Pennsylvania Station and the PATH terminal. The Board's authorization was made subject to the necessary financial certifications and related findings with respect to the economic feasibility of the project.

At its meeting on February 9, 1984, the Board authorized the Executive Director to enter into a participation agreement with the Newark Economic Development Corporation (NEDC) for the preparation of a master plan and other related studies for the proposed new development. After a thorough review by staff of the Port Authority and NEDC of proposals from four prominent, highly-qualified New Jersey architectural firms, the Grad Partnership was selected to prepare a master plan for the project. Grad is now in the final stages of completing the basic master plan and staff is now ready to proceed with the next phase of development.

The Port Authority and NEDC have agreed that the office building will be marketed as a legal and communications center. A fiber optic connection to the Port Authority Teleport in Staten Island will enable an advanced communications capacity for the building's tenants. Staff has presented the concept of a legal and communications center to several Newark law firms, all of which have expressed a strong interest in occupying space in the proposed building. To continue the pace at which the project is already progressing and to take timely advantage of this strong market interest, it will be necessary to promptly move on to the next step, i.e. the preparation of architectural/engineering specifications.

Staff recommends that the Grad Partnership again be retained to perform architectural and engineering services – including the preparation of the necessary contract drawings and specifications – related to the construction of an office building, consisting of an estimated 300,000 net rentable square feet, and its related infrastructure and the pedestrian walkway. (It is anticipated that all or a portion of the funding for the pedestrian bridge may be provided through an Urban Development Action Grant (UDAG) being pursued by NEDC).

The Grad Partnership is the recommended firm based on the work it has thus far performed on this project. In order to gear the master plan to the needs of the legal profession, the Grad Partnership has worked closely with several Newark law firms on the planning of the interior spaces. The expertise which Grad has developed as a result of its coordination with various law firms and the advantage of having prepared the master plan in-house, make it in the best interest of the Port Authority to have Grad undertake the preparation of the contract drawings and specifications. Grad has estimated that these services would cost approximately $2.5 million. The cost of providing these services is considered fair and reasonable by staff.

With respect to the Board's requirement that the project not proceed unless the necessary financial certifications can be made, staff reported that its studies continue so as to permit staff to forecast that the office development will produce revenues that will meet its costs.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with the Grad Partnership of Newark, New Jersey, for architectural and engineering services related to the construction of an office building and its related infrastructure and a pedestrian walkway in Newark, New Jersey, in the vicinity of Pennsylvania Station/PATH, at an estimated cost of $2.5 million.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, to enter into an agreement, estimated at $2.5 million, with the Grad Partnership for architectural and engineering services related to the construction of an office building and its related infrastructure and a pedestrian walkway in the vicinity of Pennsylvania Station/PATH at Newark, New Jersey; and it is further

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

(Board - 5/10/84)

Tunnel and Bridge Crossings - Traffic Diversion and Patron Advisory Sign System - Project Authorization

It was reported that staff has been investigating ways to improve the efficiency of the river crossings and to provide an improved level of patron service at the tunnel and bridge crossings. The installation of a traffic diversion and patron advisory sign system at the six crossings will provide traffic and patron service information enabling patrons to facilitate travel either to or from the crossings. It will also provide patrons with important information on construction activity and delays.

The system which is planned for installation in two phases, consists of 18 variable message signs installed at the six tunnel and bridge crossings and on key highways connecting with these facilities. The signs at each facility will be controlled from the communications desk or from a central control unit to be located at one of the Hudson River crossings. The variable matrix feature permits displays in a variety of formats. Standard messages can be preprogrammed and displayed as traffic situations arise with special messages displayed when unusual traffic conditions occur. Patrons will be advised of the reason for delays, the approximate waiting time and, when appropriate, an alternate route or crossing. When conditions do not require any traffic advisory messages, the signs will display public service and safety messages.

The first phase, scheduled for completion in 1986, consists of installing eight signs directly associated with the Holland and Lincoln Tunnels and is estimated to cost $3.3 million. After a test and evaluation period, which will include discussions with other transportation agencies in the region and will last approximately six months, a report will be made to the Board including a recommendation on whether to proceed with Phase II. The remaining 10 signs will be installed during Phase II at the bridge crossings and on the Route 3 approach to the Lincoln Tunnel. This work is expected to be finished in 1988.

It was therefore recommended that the Board authorize a two-phase project for the installation of a traffic diversion and patron advisory sign system for the tunnel and bridge crossings at an estimated total project cost of $7.5 million, including payments to contractors, an allowance for extra work, engineering, administrative and financial expenses.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a two-phase project for the installation of a traffic diversion and patron advisory sign system for the tunnel and bridge crossings at an estimated total project cost of $7.5 million, including payments to contractors, an allowance for extra work, engineering, administrative and financial expenses, be and it hereby is authorized.

(Board - 5/10/84)

Bathgate Industrial Park - Industrial Building on Block 2920 - Award of Construction Contracts and Lease with Protocom Devices, Inc.

It was reported that the Board, at its meeting on March 12, 1981, authorized an industrial development project in The Bronx, at a site bounded by the Cross Bronx Expressway on the north, Third Avenue on the east, Claremont Parkway on the south, and Washington Avenue on the west, thereafter designated the Bathgate Industrial Park, at an estimated project cost of $15.7 million, including payments to contractors, an allowance for extra work and engineering, administrative and financial expenses. The actions requested herein fall within the scope of that Board authorization and construction and engineering costs are reimbursable by the New York City Public Development Corporation up to an approximate amount of $600,000 under a grant from the Federal Economic Development Administration.

The construction contract to be denominated BIP-110.014, provides for the construction of the shell portion of an industrial building, is scheduled to be publicly advertised in the summer of 1984 and awarded to the lowest qualified bidder. The Board, at its meeting on August 27, 1980, authorized the Executive Director to establish and implement affirmative efforts with regard to contracting opportunities. Accordingly, the contract will include a provision that the lowest qualified bidder will be required to meet a goal for Minority Business Enterprise (MBE) participation of 20% for firms owned and controlled by minorities and 1% for firms owned and controlled by women. The construction will include approximately 60,000 square feet of grade space and approximately 20,000 square feet of mezzanine space and will also include stairs, utility services, parking and truck dock areas, fencing, sidewalks and curbing and provisions for expanding the mezzanine to a full second story. Construction of the shell building is scheduled to begin in the Fall 1984 and to be completed in the Summer 1985.

It is anticipated that a second contract for the construction of finishing work for Protocom Devices, Inc. (Protocom) will be publicly advertised in early 1985 and awarded to the lowest qualified bidder who will also be required to meet a goal for MBE participation of 20% for firms owned and controlled by minorities and 1% for firms owned and controlled by women. Construction of the finishing work for Protocom is expected to begin in the spring of 1985 and be completed by the Fall 1985. The finishing work may include lighting, heating, ventilation and air-conditioning, office finishes, sprinklers, toilets, power and partitioning for Protocom's portion of the facility. The total construction costs of the two contracts, one for the construction of the shell building and the other for the finishing work, will not exceed $4.5 million.

Staff has substantially completed negotiations with Protocom for the letting of approximately 30,000 square feet of ground floor space and approximately 10,000 square feet of mezzanine space, which is approximately one-half of the building, on Block 2920 at the Bathgate Industrial Park. Protocom designs, develops and manufactures high performance computer products for the data communications industry. These products enable computer equipment with synchronous protocols to interface with data communications networks. The company also provides consulting services in the areas of software and hardware development for

clients in the data communications industry. Protocom was incorporated in Connecticut in February 1983 and maintains its offices in Stamford, Connecticut in about 2,700 square feet of space. Due to the current demand for their primary product, a synchronous high performance packet assembler/disassembler (PAD), Protocom requires space to increase their manufacturing capabilities and create new product lines. To this end, Protocom will rent approximately 8,000 square feet of space at the South Bronx Development Organization's (SBDO) incubator manufacturing facility at 190 Willow Avenue in the South Bronx by September 1984 and continue operations there until the Bathgate facility is ready in September 1985. In addition, Protocom currently contracts for the manufacture of certain products with outside equipment manufacturers to satisfy their customer needs. These contracts will be phased out when the Bathgate facility is operational.

Protocom currently has 15 employees. During Protocom's first year of operations at 190 Willow Avenue, it is anticipated that the company will be increasing staff to approximately 50 employees; during the first year at Bathgate, Protocom anticipates that their staff will increase to 100 and thereafter increase at a rate of at least 25% per year to an approximate total of 200. Protocom is a minority managed company that is employee-owned. Sales for Protocom's first full year at 190 Willow Avenue are projected to be over $2 million and are expected to increase to over $6 million for the company's first full year at Bathgate. Current customers include Boeing Computer Services, Bell Labs, Defense Data Network, Pan American, Bechtel and Saab.

The major provisions of the proposed lease agreement with Protocom are:

1. The Port Authority would lease to Protocom approximately one-half of the industrial building to be constructed on Block 2920 for a term of approximately 25 years with Protocom having the right to extend the lease term for a 10-year period at the then fair market value of the premises.

2. Protocom would pay a proportionate part of the land rental which the Port Authority pays to the New York City Public Development Corporation for the site.

3. Protocom would pay an annual building rental of $100,000 the first year, $120,000 the second year, $200,000 for years three through five, $300,000 for years six and seven, $480,000 for years eight and nine $505,000 for years 10 and 11, $545,000 for years 12 through 14, $592,000 for years 15 through 17, $645,000 for years 18 through 20 and $680,000 for years 21 through the remainder of the lease. The Port Authority would provide approximately $1.2 million of tenant finishing work as part of the lease arrangement.

4. Beginning with the eighth year of occupancy and continuing for the remainder of the letting, Protocom would pay an annual percentage rental of 1% of net sales (gross sales minus commissions) in excess of $25 million but not to exceed an annual payment of $150,000.

5. The Port Authority would provide up to $1.7 million for the purchase, renovation, transportation and installation of certain equipment and finishing work in excess of the finishing work included in the lease arrangement. Monies so provided would be repaid commencing on occupancy at Bathgate at a 12.5% interest rate over seven years with interest payments only during the first two years and the total amount repaid on a self-liquidating basis over the next five years with Protocom having the option of prepayment without penalty. No interest would accrue until the date of occupancy

6. Protocom would be responsible for operating and maintaining their portion of the facility and all improvements within the property line. The Port Authority would be responsible for structural repairs during the term of the lease.

A security deposit may be required.

This item results in a $1.2 million adjustment in the 1984 Budget and funds will be provided in the 1985 Budget.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into the construction contract, the finishing work contract and the lease agreement with Protocom Devices, Inc., all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize the acceptance of the lowest bid on the construction contract to be denominated BIP-110.014 for the construction of a shell building of approximately 60,000 square feet of ground space and approximately 20,000 square feet of mezzanine space on Block 2920 at the Bathgate Industrial Park in The Bronx, submitted by that bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable or to authorize the rejection of all bids; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize the acceptance of the lowest bid for the performance of finishing work in the shell building to be constructed on Block 2920 at the Bathgate Industrial Park for a proposed lessee, Protocom Devices, Inc. (Protocom), submitted by that bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable or to authorize the rejection of all bids, the total cost of the shell building contract referred to in preceding resolution and the finishing work contract referred to herein not to exceed $4.5 million; and is further

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 Protocom for the letting of approximately 40,000 square feet of space in the building to be constructed on Block 2920 at the Bathgate Industrial Park, for an initial term of approximately 25 years with an option by Protocom to extend the term for a single additional term of 10 years at fair market value, Protocom as part of the lease arrangement to receive approximately $1.2 million of finishing work and to pay an annual rental during the initial term of $100,000 for the first year, $120,000 for the second year, $200,000 for years three through five, $300,000 for years six and seven, $480,000 for years eight and nine, $505,000 for years 10 and 11, $545,00 for years 12 through 14, $592,000 for years 15 through 17, $645,000 for years 18 through 20 and $680,000 for the remainder of the initial term and Protocom to also pay the Port Authority a proportionate share of the ground rental paid by the Port Authority to the New York City Public Development Corporation for Block 2920 and Protocom to also pay an annual percentage rental (not to exceed $150,000 per year) commencing with the eighth year of occupancy of 1% of net sales (gross sales minus commissions) in excess of $25 million, the Port Authority to provide up to $1.7 million for the purchase, renovation, transportation and installation of certain equipment and for finishing work in excess of the finishing work provided in the lease arrangement, the monies so provided to be repaid commencing on Protocom's occupancy at Bathgate (no payment to be made or interest to accrue until such occupancy) at a 12.5% annual interest over seven years with interest payments only during the first two years of occupancy and the total amount repaid over the next five years on self-liquidating basis with Protocom having the option of prepayment without penalty; and it is further

RESOLVED, that the form of all of the aforesaid agreements shall be subject to the approval of the General Counsel or his designated representative.

(Board - 5/10/84)

New Jersey Fisheries Program - Governor's Executive Panel

It was reported that the Board, at its meeting on December 8, 1983, authorized a Bi-state Fisheries Program which included a $27 million project for the First Phase of the Erie Basin Fishport and $3 million in costs for the establishment of a Bi-state Fisheries Development Foundation and for a number of studies within the State of New Jersey. At the same meeting, the Board agreed to collaborate in the identification and advancement, of a project or projects of similar size and scope, in New Jersey, in either the fisheries, marine or Port development areas. These projects would be within the New Jersey segment of the Port District, would not be competitive with Erie Basin and would contribute to regional economic growth.

The State of New Jersey is requesting that a $200,000 planning effort be funded whose principal goal is to identify an appropriate $27 million program. The $200,000 planning expenditure, which would come from the $27 million program, would be considered within the scope of the program and would be funded upon receipt of an appropriate expenditure plan from the State of New Jersey.

Staff has been advised by the Governor's Office that an Executive Panel will be created by Executive Order which would include certain full-time staff plus part-time staff of three New Jersey departments concerned with fisheries; the Agriculture, Environmental Protection and Commerce and Economic Development Departments. The Port Authority would participate in an advisory capacity, non-voting, in the Panel's deliberations. Any programs or projects developed pursuant to the effort would, of course, be brought back to the Port Authority Board for review and possible authorization.

Recommendation was made that the Board authorize $200,000 for an Executive Panel to be created by the Governor's Office of the State of New Jersey to develop appropriate programs and projects as part of the $27 million Port Authority-funded New Jersey fisheries or marine development effort.

Approved.

(Board - 5/10/84)

Port Authority Employment Relations Panel - Reappointment of New Jersey Member, John J. Pearce, Jr.

It was reported that the Board, at its meeting on September 29, 1976, adopted a revised Port Authority Labor Relations Instruction which provided for the establishment of an Employment Relations Panel with responsibility for resolving disputes arising from the designation of managerial, confidential and supervisory employees, assisting in resolving negotiating impasses, processing improper labor practice charges and processing petitions for certification or decertification of employee organizations as negotiating representatives of Port Authority employees.

The Labor Relations Instruction further provides for the members of the Panel to be appointed for overlapping three-year terms. The term of the New Jersey Member of the Panel expired on December 31, 1983 and his successor is to be appointed for a term to expire December 31, 1986, upon the written recommendation of the Chairman of the New Jersey Public Employment Relations Commission (PERC).

On March 27, 1984, James Matriani, Chairman of PERC, after consultation with representatives of employee organizations, recommended that John J. Pearce, Jr., former Executive Director of the New Jersey State Board of Mediation, be reappointed as the New Jersey Member of the new three-year term. Mr. Pearce was first appointed as the New Jersey Member of the Panel on March 10, 1977 and was reappointed for a second three-year term on May 14, 1981. Joseph R. Crowley, Associate Dean of Fordham University School of Law, continues to serve as Chairman of the Panel until December 31, 1985 while Philip J. Ruffo, Professor of Law at Pace University continues as the New York Member until December 31, 1984.

Members of the Panel who are subject to removal or dismissal only upon charges and after a hearing before a hearing officer appointed jointly by the Chairman of PERC and its New York counterpart, the Public Employment Relations Board, may also appoint hearing officers, mediators, factfinders, attorneys or others, to assist them in their functions and provide for their reimbursement and compensation at rates set pursuant to the Labor Relations Instruction. Panel members themselves are compensated for each day spent in attendance at meetings or consultation or in the preparation of reports or determinations and are reimbursed for expenses actually incurred by them in the performance of their duties, all of which are further specified in the Labor Relations Instruction.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

RESOLVED, that John J. Pearce, Jr., be and he hereby is appointed New Jersey Member of the Port Authority Employment Relations Panel for a term expiring December 31, 1986.

(Board - 5/10/84)

Greenville and Port Jersey Properties - Payment in Lieu of Taxes

It was reported that the Board, at its meetings on January 14, 1982, November 10, 1982 and April 14, 1983, authorized the payment, for the years 1982 and 1983, to the Cities of Jersey City and Bayonne, New Jersey, of the amounts representing the appropriate real estate taxes assessed on the Greenville and Port Jersey properties, respectively. The Board also authorized the Executive Director to enter into in-lieu-of tax agreements with the Cities and, if necessary, with the County of Hudson for 1983 and each year thereafter in which the Port Authority remains owner of the properties, the agreements to provide that the annual payments to be made shall be equal to the amounts paid for the year 1981 for real estate taxes with respect to the Greenville property and for the year 1982 with respect to the Port Jersey properties.

Pending completion of negotiations with each municipality concerning the in-lieu-of tax agreements, it is recommended that payment be made to the City of Jersey City for the year 1984 of an amount representing the real estate taxes due as to the Greenville property for the year 1981, the year of purchase of this property, and the Port Jersey properties for the year 1982, the year of purchase of these properties, in the approximate amounts of $489,000 and $406,000, respectively. It is further recommended that payment be made to the City of Bayonne for the year 1984 of an amount representing the real estate taxes due as to the Port Jersey properties located therein for the year 1982 (the year of their purchase) in the approximate amount of $104,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to make payment for the year 1984 to: (1) the City of Jersey City in connection with the Greenville properties acquired from the Penn Central Corporation of an amount representing the real estate taxes due for the year 1981 and (2) the Cities of Jersey City and Bayonne in connection with Port Jersey properties purchased from Harborland Corporation and Teachers Insurance and Annuity Association of America of an amount representing the real estate taxes due for the year 1982.

(Board - 5/10/84)

Greenville Rail Yard - Negotiations to Purchase from ConRail

It was reported that Consolidated Railroad Corporation (ConRail) has been seeking to abandon a 10-acre rail yard and float bridge at Greenville Yard, Jersey City, which serves as the base for interstate cross harbor carfloat operations to Brooklyn. These yard operations are managed by New York Cross Harbor Railroad (NYCHRR) under a contract with ConRail. It was further reported that ConRail took the first step in the abandonment process by filing a Notice of Insufficient Revenues with the Interstate Commerce Commission (ICC) on December 12, 1983. It appears that under law, ConRail has since been free to file for abandonment but has, so far, chosen not to do so. Once ConRail files, the abandonment would normally become effective 90 days later. It would appear that the immediate effect of abandonment would be termination of the carfloat services, since NYCHRR does not have the financial resources to acquire the property from ConRail. The cessation of these services would increase transportation costs and transit times for receivers and shippers in Brooklyn, Queens and Long Island whose goods are carried by carfloat.

In the past several weeks, Port Authority staff received indications that ConRail might file shortly. On April 27, 1984 the Executive Director authorized staff to required ConRail to desist from filing pending authorization by the Board for staff to initiate formal negotiations. ConRail has agreed to this.

NYCHRR currently serves rail customers in Brooklyn, Queens and Long Island via its Greenville and Brooklyn terminal facilities and currently floats about 3,000 cars annually. It recently concluded a favorable agreement with ConRail under which an additional 4,000 or more cars a year from so-called southern origins will be routed via NYCHRR to customers in New York City and Long Island served by the Long Island Railroad (LIRR). The importance of NYCHRR lies more in its role in moving domestic rail traffic than in the handling of export-import traffic. In connection with acquisition by the Port Authority of the carfloat properties, it is anticipated that an operating agreement would be negotiated and entered into with NYCHRR after Board approval. The cost of property under consideration is valued by ConRail at $300,000 and additional expenditures will also be authorized in connection with the performance of environmental testing, title searches and property appraisals.

Other New York agencies are making a considerable investment in facilities for NYCHRR or related to its operations. New York City purchased property and is constructing a new yard for NYCHRR at 65th Street, Brooklyn, for a total cost of about $7.4 million. The State Department of Transportation is upgrading the Bay Ridge line, which connects with the 65th Street yard, and is sponsoring LIRR's acquisition of the line from ConRail at a total cost of about $6.7 million.

The State of New Jersey has expressed no direct interest in the carfloat services since they only handle New York traffic.

The purchase agreement to be negotiated with ConRail would include the following major elements: (1) successful conclusion of environmental testing and (2) ConRail agreement to interchange traffic with NYCHRR indefinitely, or until otherwise agreed upon.

Should these negotiations be successfully completed and the environmental test results prove acceptable, approval of the purchase price will be obtained from the Committee on Finance, and authority will be sought from the Board to negotiate and enter into an operating and lease agreement with NYCHRR.

It was therefore recommended that the Board authorize the Executive Director to negotiate and execute an agreement to purchase ConRail carfloat premises in the Greenville yards in Jersey City comprising approximately 10 acres of land and to perform environmental testing, title searches and property appraisals in connection therewith.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board hereby authorizes the Executive Director to enter into an agreement with the Consolidated Rail Corporation (ConRail) for the purchase of the Greenville carfloat rail yard in Jersey City, New Jersey, comprising approximately 10 acres of land and to arrange for the performance of environmental testing, title searches and property appraisals therefore, with approval of the final purchase price for the ConRail premises to be obtained from the Committee on Finance; the form of the agreement and related documents to be subject to the approval of General Counsel or his authorized representative.

(Board - 5/10/84)

Renewal of All Risk Property Damage and Loss of Revenue Insurance

It was reported that the Port Authority and Port Authority Trans-Hudson Corporation (PATH), presently have in effect All Risk Property Damage and Loss of Revenue insurance for all properties other than bridges and tunnels, which expires on June 1, 1984, in the amount of $200 million excess of $100,000 per occurrence self-insured retention at a total three-year premium of $2,079,288, as approved by the Committee on Finance at its meeting on April 29, 1981.

As set forth more fully below, premium proposals for three years were requested from the incumbent broker, Hamond & Regine Inc.; Johnson & Higgins of New Jersey, Inc.; minority brokers E.G. Bowman Co. Inc., and Brownie W. Davis Agency Corp.; and from direct-writing insurer Arkwright-Boston Insurance Co. Each was asked to provide both a firm proposal for insurance coverage in the amount of $10 million per occurrence excess of various self-insured retentions ranging from $100,000 to $1 million per occurrence, and premium indications for additional insurance coverage in the amount of $190 million excess of $10 million excess of various self-insured retentions, per occurrence, as above.

Firm premium proposals and premium indications were solicited in the manner described above in order to allow the large number of competitors maximum flexibility in the insurance market. The proposal specifications stated that the broker or direct-writing insurer providing the firm proposal for insurance in the amount of $10 million excess of a self-insured retention, per occurrence, which was judged to be in the best interests of the Port Authority and PATH would be permitted to complete the placement. Further, the broker or direct-writing insurer providing the best premium indication for insurance in the amount of $190 million excess of $10 million excess of a self-insured retention, per occurrence, would be permitted to complete this placement within a period of time and within premium limitations specified by the Port Authority and PATH at the time instructions to complete the placement were communicated.

As indicated in the exhibit and in accordance with the procedures established in the proposal specifications, staff determined that Hamond & Regine Inc. provided the most favorable firm proposal for the initial $10 million limit of coverage and also determined that it was most cost effective to purchase this insurance subject to a $100,000 self-insured retention, per occurrence. Hamond & Regine Inc., in conjunction with the broker, C.E. Heath & Co., Ltd., also provided the most favorable premium indication for insurance in the amount of $190 million excess of $10 million excess of a self-insured retention, and as a result was instructed to complete the placement of both layers of insurance. Hamond & Regine Inc. was instructed to attempt the placement of the $190 million layer of insurance, with substantial London participation and in conjunction with C.E. Heath & Co., Ltd., within one month at a premium not to exceed $675,000. The premium for this coverage was finally negotiated in this amount, on a prepaid basis, for a three-year term.

In completing the placement of the $10 million excess of a $100,000 self-insured retention, per occurrence, layer of insurance for a three-year term at a prepaid premium of $1.1 million, Hamond & Regine Inc. was able to obtain an underwriters' proposal which would automatically extend the term of the insurance for three additional years (June 1, 1987 to June 1, 1990) at a prepaid premium on June 1, 1987 equal to the prepaid premium for the first three years, adjusted in proportion to the change in insurable values occurring during the first three-year period, provided that the ratio of incurred losses to pro-rata earned premium at March 1, 1987 does not exceed 30%. Staff, in conjunction with EBASCO, the Port Authority's risk management consultant, recommends the acceptance of this proposal.

(Board - 5/10/84)

Hamond & Regine Inc., in conjunction with C.E. Heath & Co., Ltd., also obtained an underwriters' proposal to automatically extend the term of $190 million excess of $10 million excess of a $100,000 self-insured retention, per occurrence, layer of insurance whereby coverage would be extended for two years (June 1, 1987 to June 1, 1989) at a prepaid premium on June 1, 1987 equal to two-thirds of the prepaid premium for the first three years, adjusted in proportion to the change in insurable values occurring during the first three-year period, without regard to losses. Staff, in conjunction with EBASCO, also recommends the acceptance of this proposal.

In light of the current tightening of property insurance markets, which is expected to continue for some time, these proposed extensions are considered highly desirable since they would be made at current premium rates, thereby guaranteeing that any increases in future premiums would be solely the result of, and in direct proportion to, increases in the insurable values of Port Authority and PATH properties and not due to insurance company pricing strategies.

In connection with these extensions, the proposals provide that for the $10 million excess of a $100,000 self-insured retention, per occurrence, layer of insurance, both the insured and the underwriters will have the option to cancel the policy on a policy anniversary date, provided at least 120 days' written notice has been given. Coverage for the $190 million excess of $10 million excess of a $100,000 self-insured retention, per occurrence, layer of insurance may not be cancelled by the insured and may only be cancelled by the underwriters on a policy anniversary date, provided at least 120 days' written notice is given. The non-cancellability provision, as respects the Port Authority and PATH, is consistent with similar provisions in the Port Authority and PATH General and Aviation Public Liability insurance policy and the Bridge and Tunnel Property Damage and Loss of Revenue insurance policy. Except for the above-stated insurer cancellation provision, the proposal recognizes the underwriters commitment to the extension of the policy term without regard to loss experience.

It is presently expected that coverage will be provided as follows:

$10 million per occurrence excess of $100,000 self-insured retention from domestic markets; and

$190 million per occurrence excess of $10 million excess of $100,000 self-insured retention from London and domestic markets.

The renewal premium of $1,775,000 for the initial three-year period represents a savings of approximately $304,300 over the three-year premium of $2,079,288 for the current program, despite a nearly $1.3 billion increase in the value of insured properties, resulting in a decrease of 37% in the three-year rate from 5.9 cents per hundred dollars to 3.7 cents per hundred dollars.

(Board - 5/10/84)

Recommendation was made that the Board authorize the purchase of $200 million excess of a $100,000 self-insured retention, per occurrence, of All Risk Property Damage and Loss of Revenue insurance covering all properties of the Port Authority and Port Authority Trans-Hudson Corporation (PATH), other than bridges and tunnels, effective June 1, 1984, through Hamond & Regine Inc., and C.E. Heath & Co., Ltd., as follows:

1. $10 million excess of a $100,000 self-insured retention, per occurrence, for a period of three years (June 1, 1984 to June 1, 1987) at a prepaid premium of $1.1 million and for an additional period of three years (June 1, 1987 to June 1, 1990) at a prepaid premium equal to the premium for the first three years, adjusted in proportion to the change in insurable values occurring during the first three-year period; and

2. $190 million excess of $10 million excess of a $100,000 self-insured retention, per occurrence, for a period of three years (June 1, 1984 to June 1, 1987) at a prepaid premium of $675,000, and for an additional period of two years (June 1, 1987 to June 1, 1989) at a prepaid premium equal to two-thirds the premium for the first three years, adjusted in proportion to the change in insurable values occurring during the first three-year period.

Approved.

Premium Proposals and Indications for
Renewal of Non-Bridge and Tunnel All Risk
Property Damage and Loss of Revenue Insurance

Broker/Direct-Writing Insurer	Self Insured Retention	$10 million excess of S.I.R. Total 3 Year Cost	$190 million excess of $10 million excess of S.I.R. Total 3 Year Cost
Hamond & Regine Inc.	$ 100,000	$1,100,000(*)	$ 615,000(**)
C.E. Heath, Co.	250,000	970,000	607,500
	500,000	930,000	601,000
	1,000,000	820,000	598,000
Johnson & Higgins of New Jersey, Inc.	100,000	5,367,000	900,000
	250,000	---	900,000
	500,000	---	900,000
	1,000,000	---	900,000
Brownie W. Davis(***) Agency Corp.	100,000	8,092,213	---
Arkwright-Boston Insurance Co.	100,000	---	1,440,000

E. G. Bowman Co., Inc. was unable to obtain quotations.

Notes:

(*) The proposal included an option for a three-year term extension from June 1, 1987 to June 1, 1990 at a prepaid premium on June 1, 1987 equal to the prepaid premium for the first three-years adjusted in proportion to the change in insurable values occurring during the first three-year period.

(**) Broker instructed to attempt completion of the placement, with substantial London participation, at a three-year prepaid premium not to exceed $675,000. Premium for the two-year term extension from June 1, 1987 to June 1, 1989 is equal to two-thirds of the prepaid premium for the first three-years adjusted in proportion to the change in insurable values occurring during the first three-year period.

(***) Mr. Davis has written to the Port Authority charging unfairness in this placement. His primary unsatisfied complaint is that two of the seven insurance markets assigned to him were reportedly working with other brokers.

(Board - 5/10/84)

Port Authority Police Force - Improved Career Retirement Plan

It was reported that, in connection with negotiations with the Port Authority Police Benevolent Association, Inc., the Port Authority Police Sergeants Benevolent Association, the Port Authority Detectives Endowment Association, and the Port Authority Police Superior Officers Association, the Port Authority is to provide police personnel with the benefits of the "Improved Career Retirement Plan" under Section 375-i (based on Sections 375-e and 375-g) of the New York Retirement and Social Security Law.

Port Authority adoption of Section 375-i would allow police personnel to elect coverage under a plan that would provide personnel age 55 or older who have more than 25 years of credited service to retire with a greater retirement allowance.

This action would replace the current base plan, but would leave in place the optional plan under Section 384 or 384-d, which permits police personnel to retire at one-half of final average salary after 20 years of credited service.

In addition, the Port Authority's mandatory retirement age policy for police personnel would be amended to conform to these provisions.

For members who change from the Sections 384/384-d plan to the new plan to be adopted, the Port Authority may realize some savings in contribution rates; it is not expected that any additional cost will be incurred as a result of Port Authority provision of this new plan.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the resolution of the Board of Commissioners adopted on January 11, 1979 dealing with the appointment, termination of service and retirement of members of the Port Authority as follows, all prior resolutions being hereby revoked and rescinded:

1. As used in this resolution the following words and phrases shall be construed as follows:

a. The term "police force" shall be construed to mean the police force of The Port Authority of New York and New Jersey as such police force has been heretofore and may hereafter be constituted.

b. The phrase "appointed to the police force" (or words of similar import) shall be construed to refer to making persons members of the police force, whether upon original employment, or by transfer or re-transfer from other employment in the Port Authority service, or by reappointment, or by any other method whatsoever.

2. The following rules shall apply to persons appointed to the police force:

a. No persons who have attained the age of 35 years shall be qualified for appointment to the police force.

b. Whenever any member of the police force who has elected to contribute under the provisions of Section 384-d of the New York Retirement and Social Security Law shall reach 62 years of age, his or her appointment to such police force and his or her employment by the Port Authority shall cease and terminate without further action by this Board or by any Committee, officer or other representative of the Port Authority, such termination to take effect as of the first day of the month next following that in which he or she reaches age 62, unless this rule shall have been waived by this Board or pursuant to authority expressly granted by this Board.

c. Whenever any member of the police force who has not elected to contribute under the provisions of Section 384-d of the New York Retirement and Social Security Law, or who has withdrawn such election, shall reach 70 years of age, his or her appointment to such police force and his or her employment by the Port Authority shall cease and terminate without further action by this Board or by any Committee, officer or other representative of the Port Authority, such termination to take effect as of the first day of the month next following that in which he or she reaches age 70, unless this rule shall have been waived by this Board or pursuant to authority expressly granted by this Board.

3. The Port Authority shall pay on account of any member of its police force who has duly elected or shall hereafter duly elect to contribute any additional amount which is or may be required for the purpose of retiring after 25 years of service as provided by Section 384 of the New York Retirement and Social Security Law, or any subsequent amendments thereto, the entire additional cost on account of the police service rendered by such member of the police force prior to December 26, 1946; and one-half the additional cost on account of the police service rendered by such member of the police force on and after December 26, 1946 and up to January 5, 1958; and the entire additional cost on account of the police service rendered by such member of the police force on and after January 5, 1958.

4. BE IT RESOLVED, that the Board of Commissioners of The Port Authority of New York New Jersey does hereby elect to pay on account of any member of its police force who has duly elected, or shall hereafter duly elect, to contribute the additional amount required for the purpose of retiring after 20 years of service as provided by Section 384-d of the New York Retirement and Social Security Law, or any subsequent amendments thereto, the entire additional cost on account of the police service rendered by such officer or member of the police force prior to April 11, 1971, and further agrees to pay the entire additional cost on account of police service rendered by such member of the police force on and after April 11, 1971.

5. BE IT RESOLVED, that the Board of Commissioners of The Port Authority of New York and New Jersey does hereby elect to provide the additional pension benefits of Section 375-e of the New York Retirement and Social Security Law, and any subsequent amendments thereto, for employees of participating employers; and, BE IT FURTHER RESOLVED, that this election shall become effective with the payroll beginning on the 17th day of June, 1984.

6. BE IT RESOLVED, that the Board of Commissioners of The Port Authority of New York and New Jersey does hereby elect to provide the career retirement plan of Section 375-g of the Retirement and Social Security Law as presently or hereafter amended, for employees of participating employers; and BE IT FURTHER RESOLVED, that this election shall become effective with the payroll beginning on the 17th day of June, 1984.

7. BE IT RESOLVED, that the Board of Commissioners of The Port Authority of New York and New Jersey does hereby elect to provide the benefits of Section 375-i of the New York Retirement and Social Security Law, and any subsequent amendments thereto; and, BE IT FURTHER RESOLVED, that this election shall become effective with the payroll period beginning on the 17th day of June, 1984.

8. Nothing herein contained shall be construed to constitute a contract or agreement with any member or members of the police force; and the Port Authority reserves the right to revoke, rescind, amend or modify this resolution in its discretion; and it is further

(Board - 5/10/84)

RESOLVED, that the Executive Director be and he hereby is authorized and directed to file paragraphs 5, 6 and 7 above, with the New York State Policemen's and Firemen's Retirement System on or before June 17, 1984; the form of such filing to be subject to approval by General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

_____

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Wednesday, May 30, 1984

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MINUTES of special meeting of The Port Authority of New York and New Jersey held Wednesday, May 30, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	William J. Ronan
Jerry Fitzgerald English	James G. Hellmuth
Robert V. Van Fossan	John G. McGoldrick
Philip D. Kaltenbacher	
William K. Hutchison	
Henry F. Henderson, Jr.	

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel and Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Henry I. DeGeneste, Superintendent of Police
Sidney Frigand, Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director and Director of Administration
James J. Kirk, Deputy Director of Rail Transportation
Edward J. O'Sullivan, Manager, Office for Special Planning, Public Safety Department
Robert Steiner, Deputy Director, Port Department
Victor T. Strom, Director of Public Safety
Guy F. Tozzoli, Director of World Trade

The meeting was called to order by the Chairman.

The Secretary reported that the meeting was duly called in accordance with the By-Laws.

(Board - 5/30/84)

Election of Officers

Chairman Alan Sagner announced that in accordance with the requirements of the By-Laws the annual election of officers was in order and requested Commissioner Ronan to take the chair as Acting Chairman.

The Acting Chairman requested Commissioner Van Fossan, Chairman of the Nominating Committee, to submit the report of that Committee. Commissioner Van Fossan 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 the By-Laws, the Committee, by unanimous action, submits the nominations for election to the office of Chairman of The Port Authority of New York and New Jersey of Commissioner Alan Sagner, and for the office of Vice-Chairman of The Port Authority of New York and New Jersey of Commissioner Robert F. Wagner.
>
> "By unanimous action, the Committee also submits the nominations of Peter C. Goldmark, Jr. as Executive Director and of Patrick J. Falvey as General Counsel.
>
> "By unanimous action, the Committee also submits the nominations of Doris E. Landre as Secretary, Robert F. Bennett as Director of Finance, Barry Weintrob as Comptroller, Marshal L. Wilcox, Jr. as Treasurer and Donald R. Lee as Director of the Audit Department."

Commissioner McGoldrick thereupon moved the adoption of the report of the Nominating Committee. The motion was seconded by Commissioner Hutchison and carried, Chairman Sagner dissenting from the action with respect to the Secretary, Director of Finance, Comptroller, Treasurer and Director of the Audit Department for the reason that he believes that the provisions of the By-Laws relating to their election are outmoded and their election therefore unnecessary.

On motion of Commissioner McGoldrick seconded by Commissioner Hutchison it was voted that nominations be closed and that the Secretary be directed to cast one ballot for the election of Commissioner Alan Sagner as Chairman, Commissioner Robert F. Wagner as Vice-Chairman, Peter C. Goldmark, Jr. as Executive Director, Patrick J. Falvey as General Counsel, Doris E. Landre as Secretary, Robert F. Bennett as Director of Finance, Barry Weintrob as Comptroller, Marshal L. Wilcox, Jr. as Treasurer and Donald R. Lee as Director of the Audit Department, Chairman Sagner dissenting as aforesaid.

(Board - 5/30/84)

The Secretary reported that the ballot had been cast, whereupon Commissioner Ronan announced the election of the following: Alan Sagner as Chairman, Robert F. Wagner as Vice-Chairman, Peter C. Goldmark, Jr. as Executive Director, Patrick J. Falvey as General Counsel, Doris E. Landre as Secretary, Robert F. Bennett as Director of Finance, Barry Weintrob as Comptroller, Marshal L. Wilcox, Jr. as Treasurer and Donald R. Lee as Director of the Audit Department.

Whereupon, the meeting was adjourned.

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Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, June 14, 1984

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, June 14, 1984

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, June 14, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY

Alan Sagner, Chairman
Jerry Fitzgerald English
Robert V. Van Fossan
Philip D. Kaltenbacher
William K. Hutchison
Henry F. Henderson, Jr.

NEW YORK

Robert F. Wagner, Vice-Chairman
William J. Ronan
James G. Hellmuth
Lewis L. Glucksman
John G. McGoldrick
Howard Schulman

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel and Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Robert F. Bennett, Assistant Executive Director and Chief Financial Officer
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director and Director of Administration
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
Jeffrey S. Green, Chief, Finance Division, Law
Philip LaRocco, Director, Economic Development Department
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Katharine B. MacKay, Executive Assistant to Executive Director
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Assistant Chief Financial Officer
Rino M. Monti, Director of Engineering and Chief Engineer
Edward J. O'Malley, Director of Personnel
Joanne Paternoster, Acting Manager, Applications Services Division, Office of Management Information Services
Martin E. Robins, Director of Planning and Development
Victor T. Strom, Director of Public Safety
Guy F. Tozzoli, Director of World Trade
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Director, Finance Department/Comptroller
Marvin Weiss, Director, Office of Minority Business Development
Marshal L. Wilcox, Jr., Treasurer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs
Gerard Fernandez, Jr., Bond Counsel, Hawkins, Delafield & Wood

The meeting was called to order by the Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of May 10, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on June 14, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its Special meeting on May 30, 1984 and at its meeting on June 14, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on June 14, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on June 14, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Brooklyn-Port Authority Marine Terminal - Red Hook Project - Stage II - Paving and Utilities and Pier 9A Reconstruction and Crane Rails - Authority to Award Contracts BP-290.016 and BP-290.018

It was recalled that the Board, at its meeting on December 8, 1983, authorized a project for the expansion of the Red Hook Container Terminal at a total project cost of approximately $14.5 million, including an allowance for extra work and engineering, administrative and financing expenses. The award of Contracts BP-290.016 and BP-290.018 fall within the scope of this authorization.

Contract BP-290.016 will provide for the construction of paving and utilities in the area generally bounded by Hamilton Avenue, Van Brunt and Sackett Streets, all at the Brooklyn-Port Authority Marine Terminal. In addition, this contract will include the construction of three additional control booths at the Entry Complex to accommodate additional truck traffic at the expanded terminal. A portion of the work under Contract BP-290.016 may be performed during weekend hours so as to minimize interference with facility operations.

Contract BP-290.018 will provide for the construction of a new wharf and crane rails on Pier 9A at the Brooklyn-Port Authority Marine Terminal incorporating portions of the existing wharf substructure and including alterations to existing structures as required to perform the new construction. Universal Maritime Service Corp. is proceeding with the construction of a second crane at the terminal authorized by the Board at its April 12, 1984 meeting.

It was further recalled that, at its meeting on August 27, 1980, the Board authorized the Executive Director to establish and implement affirmative action efforts with respect to contracting opportunities. Accordingly, both contracts will include provisions that the bidders will make every good faith effort to meet a goal for Minority Business Enterprise participation of 10% for firms owned and controlled by minorities and 1% for firms owned and controlled by women.

Contracts BP-290.016 and BP-290.018 are scheduled to be publicly advertised on June 7, 1984 and bids on both contracts are currently scheduled to be received on June 26th.

In order to commence tenant operations at the earliest possible date, it is recommended that the Board authorize the Executive Director to award the aforementioned contracts to the lowest qualified bidder on each contract.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized in his discretion, either to authorize the acceptance of those bids on Contracts BP-290.016 and BP-290.018 in each case submitted by the lowest bidder who in his opinion is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable or to authorize the rejection of all bids; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized without further Board or Committee approval to order extra work for each said contract up to an amount equal to 10% of the bid on the contract accepted by the Port Authority.

(Board - 6/14/84)

Engineering Department - Retention of Professional Services on an As-Needed Basis - Amendment of Authorization

It was recalled that the Board, at its meeting on December 8, 1983, authorized the Chief Engineer to:

1. retain various professional and advisory service firms, at a maximum compensation of $250,000 per agreement, to undertake studies, perform professional inspections, provide advice and opinions, develop recommendations, prepare contract documents and perform post-award contract work on an as-needed basis for architectural and engineering related work for various small-scale Port Authority and PATH projects initiated during 1984 at an aggregate compensation then estimated at $4.5 million; and

2. retain various temporary help (job shop) and technical service firms to furnish professional and technical personnel for the Design, Construction, Materials and Traffic Divisions of the Engineering Department on an as-needed basis for the 1984 calendar year, at an aggregate compensation then estimated at $4.2 million. Payments to any one technical service firm, under the authorization, may not exceed $100,000.

Subsequently, the Board, at its meeting on March 8, 1984, supplemented its December 8, 1983 authorization, by authorizing the Chief Engineer to retain various temporary help firms to furnish professional and technical personnel for the Aviation, Economic Development and Rail Transportation Departments on an as-needed basis for the 1984 calendar year, at an aggregate amount then estimated at $1 million.

Thus far in 1984, under the December 8, 1983 Board authorization, the Engineering Department has entered into 37 agreements with various professional and advisory service firms totaling approximately $3.3 million and proposals have been solicited for another seven projects which are estimated to cost an additional $1 million. With regard to temporary help and technical service firms, during 1984 the Engineering Department has thus far expended approximately $1.6 million for temporary help firms and $0.4 million for technical service firms. These monies represents the Engineering Department's hiring of a daily average of approximately 75 job shoppers and the retention of approximately 30 technical service firms and do not include monies expended under the aforementioned March 8, 1984 Board authorization for line department temporary help needs.

The agenda item presented to the Board at its meeting on December 8, 1983 informed the Board that although the planned workload for 1984 has indicated an overdemand in staff time estimated at more than $22 million (prior to budgetary adjustment), past experience had shown that for a variety of reasons, only about half of the identified overdemand is typically required. Accordingly, less than half of the 1984 expected overdemand of $22 million, or approximately $8.7 million was requested for 1984 on the understanding that should that request fail to provide enough additional staffing to satisfy the actual overdemand, the Chief Engineer

would request further authorization from the Board. An increase in the actual overdemand has occurred. Among the major projects which have impacted on staffs' overdemand are:

- Updated Existing and Expanded Structural Integrity Programs
- PATH Safety Program
- Erie Basin - Fishport
- Newark Interanational Airport - International Departure Facility
- PATH Rolling Stock Program
- PATH Electrical Improvement Program

In an effort to provide for this increased overdemand, as a first recommendation, staff requests that $6.5 million be authorized for the retention of additional professional and advisory service firms to be used for various small-scale Port Authority and PATH projects initiated during 1984 by the Engineering Department.

In consideration of the present and planned workload and current rate at which monies for temporary help and technical service firms are being expended by the Engineering Department, it will require an additional $1.0 million to satisfy that Department's need for temporary help and technical service firms through year end. The World Trade Department requested that approximately $150,000 and $200,000, respectively, be provided so that they can retain temporary help under the Engineering Department's professional service retention program. This temporary help will perform tasks related to functional planning and/or construction inspection to meet priority workload requirements which cannot be performed by staff in those line departments.

Moreover, the Aviation Department has requested that its $550,000 allotment for temporary help services under the March 8, 1984 Board authorization be expanded and increased by an additional $1 million to provide for the temporary hiring or architectural planners, construction inspectors and project managers. Moreover, in an effort to provide for any other temporary help needs of a technical nature by other as of yet unidentified line departments or for overruns by identified line departments, staff recommends that an additional $150,000 be included in this authorization, thereby increasing the total authorization requested for line department temporary help under this authorization by $1.5 million.

Therefore, in consideration of the Engineering Department's and various line departments' needs for the remainder of 1984, as a second recommendation, staff is requesting that $2.5 million be added to the Chief Engineer's existing authorization for the retention of the services of various temporary help and technical service firms for the furnishing of professional and technical personnel and services.

(Board - 6/14/84)

It was therefore recommended that the Board authorize:

1. an increase in the authorization of the Chief Engineer to retain various professional and advisory service firms for various small-scale Port Authority and PATH projects initiated during 1984, from an aggregate estimated compensation of $4.5 million to an aggregate estimated compensation of $11 million, an increase of $6.5 million; and

2. an increase in the authorization of the Chief Engineer to retain various temporary help and technical service firms to furnish professional and technical personnel for the 1984 calendar year, from an aggregate estimated compensation of $5.2 million to an aggregate estimate compensation of $7.7 million an increase of $2.5 million.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that an increase in the authorization of the Chief Engineer to retain various professional and advisory service firms for various small-scale Port Authority and PATH projects initiated during 1984, from an aggregate estimated compensation of $4.5 million to an aggregate estimated compensation of $11 million, and increase of $6.5 million, be and it hereby is authorized; and it is further

RESOLVED, that an increase in the authorization of the Chief Engineer to retain various temporary help and technical service firms to furnish professional and technical personnel and services for the 1984 calendar year, from an aggregate estimated compensation of $5.2 million to an aggregate estimated compensation of $7.7 million, an increase of $2.5 million, be and it hereby is authorized.

(Board - 6/14/84)

Retention of Professional and Advisory Services - Trans-Hudson Study

It was reported that staff has been intensively studying Trans-Hudson travel capacity including increased travel times due to congestion and overcrowding at Port Authority facilities. To continue this work and to undertake potential improvements in the near future, such as operational and physical measures, i.e. park-ride facilities, new mass transit services, ferry services, toll modifications, bus and high occupancy vehicle preference lanes at the Hudson River Crossings, relief of congestion on PATH, commuter rail improvements, and others, the assistance of a professional advisory firm is necessary. Existing staff resources are not sufficient to begin this work immediately and to carry out all tasks by September 1984.

An interdepartmental panel contacted 10 professional advisory service firms and considered the qualifications of eight of these firms that demonstrated interest in this work. Criteria for the selection and recommendation of a firm included the availability of professional and technical skills to undertake analyses of potential improvements, sufficient staff resources to commit to the work tasks in order to complete the project by September, an intimate knowledge of the New York/New Jersey region and its special transportation issues, and the total cost of all such services. Based upon these criteria the interdepartmental panel is recommending that the firm of Parsons Brinckerhoff Quade & Douglas, Inc., New York, New York, be retained.

Parsons Brinckerhoff Quade & Douglas, Inc. will prepare conceptual plans for the services or facilities which staff are considering; prepare estimates of patron usage at individual Port Authority Trans-Hudson facilities and the impact of such estimates on other facilities; prepare preliminary cost estimates of construction, maintenance and capital expenses; identify revenues where appropriate; and identify the benefits or adverse impacts of a given alternative. The firm will begin work immediately and it is expected that all tasks will be completed by September 1984.

Because of the complexity and interrelationship of the issues raised by Trans-Hudson travel, additional professional advisory services may be required in the future to assist with the evaluation of numerous options for improvement of the Trans-Hudson transportation network. Such additional services would be the subject of future Board authorization.

This item results in a $300,000 adjustment in the 1984 Budget.

It was recommended that the Board authorize the retention of Parsons Brinckerhoff Quade & Douglas, Inc., as outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to retain the firm of Parsons Brinckerhoff Quade & Douglas, Inc. to undertake preliminary analyses of short and mid-term solutions designed to improve travel times and/or increase capacity of the Trans-Hudson transportation system at the total estimated cost of $300,000; said agreement to be subject to approval as to form by General Counsel or his designated representative.

(Board - 6/14/84)

George Washington Bridge - Upper Level Sidewalk Replacement - Repairs to Deteriorated Structural Steel - Authority to Award Contract

It was reported that the Board, at its meeting on August 11, 1983, authorized the award of Contract GWB-110.075 to DeFoe Corp., the low bidder, at its bid price in the estimated amount of $3,218,300, plus an authorization of $325,000 for extra work. The contract provides for the removal and replacement of the north and south concrete sidewalks on the upper level of the George Washington Bridge and miscellaneous rehabilitation, modification, and refurbishment of associated steel, removal of portions of the tower observation areas, and the elimination of chafing where the main cables penetrate the sidewalk. The contract also provides for limited replacement of deteriorated steel discovered in the course of removing the concrete sidewalks, on a net cost basis which at the time of award was estimated at roughly $100,000.

Subsequently, the Board, at its meeting on March 8, 1984, authorized Supplemental Agreement No. 1 to Contract GWB-110.075 to provide for various repairs to and corrective measures in connection with the steel substructure for the north and south sidewalks on the upper level of the bridge at a cost then roughly estimated to be in the range of $2-$4 million. At the time that Board authorization for the proposed supplement was sought, approximately 25% of the demolition on the north sidewalk had been performed. Staff was then of the opinion that the extent of deterioration of various steel members would remain somewhat constant throughout the remaining unexposed portion of the north sidewalk and the entire south sidewalk. Subsequent exposure of the entire north and south sidewalk steel revealed much more extensive deterioration than had been anticipated, which will necessitate a substantial increase in the number of floor beams to be replaced or repaired. Also, extensive deterioration in the sidewalk steel in the immediate area of the four bridge towers was found. In addition, due to the extent of the corrosion, a repair method originally planned – installing support beams under the curb stringers, in lieu of repairing the stringers – has now become impractical. The top flanges of the curb stringers on both sides of the bridge must now be removed in their entirety. Furthermore, as a result of staff's review of calculations made at the time of the original construction and a subsequent verification of that review by an outside professional and advisory firm, reinforcement of the fascia girder connections which support the outside edge of the sidewalks has now become necessary.

Staff now estimates the cost of all of the repairs will be roughly in the range of $8-$10 million. Since the magnitude and scope of the corrective work required has significantly increased, staff deems it prudent to delete the work from proposed Supplemental Agreement No. 1 to Contract GWB-110.075 and to competitively bid it. Moreover, in an effort to complete the rehabilitation work at the earliest possible date, staff deems it prudent to solicit bids from a list of contractors deemed qualified by the Chief Engineer.

Because it was originally anticipated that DeFoe Corp. would perform this work, DeFoe, at the Port Authority's direction, took certain preliminary measures to progress the work pending execution of proposed Supplemental Agreement No. 1 to Contract GWB-110.075. These measures, all of which will expedite performance of the work which staff now recommends be competitively bid, include the purchase of a small portion of the steel; the furnishing and installation of scaffolding, fencing and safety nets; demolition; and miscellaneous related items. In order to coordinate the remainder of work under Contract GWB-110.075 with that of the

successful bidder on the new contract to repair the deteriorated steel, staff has requested DeFoe to postpone the remaining portions of its work under Contract GWB-110.075 until the Spring of 1985 (for remaining concrete work on the south sidewalk) and the Spring of 1986 (for remaining concrete work on the north sidewalk). Accordingly, DeFoe will incur additional costs for remobilization, escalation of labor and materials and other related miscellaneous costs. To compensatte DeFoe for the latter costs as well as for the preliminary work mentioned above, Supplemental Agreement No. 1 will be entered into with the contractor at a price roughly estimated at $1 million.

Accordingly, it was recommended that the Board authorize:

1. an amendment of its March 8, 1984 authorization for Supplemental Agreement No. 1 to Contract GWB-110.075 with DeFoe Corp. to provide for a revision in the scope of the supplement and a reduction in payments to the contractor to be made under the supplement from an amount roughly estimated to be in the range of $2 to $4 million to an amount roughly estimated to be $1 million; and

2. the Executive Director to award a contract to the lowest qualified bidder on the basis of bids to be received from a select list of contractors for required repairs and/or replacements to deteriorated structural steel in the sidewalks of the George Washington Bridge at a price roughly estimated to be in the range of $8 to $10 million.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that an amendment to the Board's March 8, 1984 authorization for Supplemental Agreement No. 1 to Contract GWB-110.075 with DeFoe Corp. be and it hereby is amended to provide for a revision in the scope of the supplement and a reduction in payments to the contractor to be made under the supplement from an amount roughly estimated to be in the range of $2 to $4 million to an amount roughly estimated to be $1 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize, at a price roughly estimated to be in the range of $8 to $10 million, the acceptance of the lowest bid on a contract for repairs and/or replacements of deteriorated structural steel in the sidewalks of the George Washington Bridge, submitted by that bidder, who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable, or to authorize the rejection of all bids; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to order extra work up to an amount equal to 10% of the amount of that bid which is accepted by the Port Authority on such contract for the repair and/or replacement of deteriorated steel in the sidewalks of the George Washington Bridge.

(Board - 6/14/84)

Industrial Development Program - Elizabeth Industrial Park - Environmental Mitigation - Paving and Utilities - Authorization to Award Contracts

It was reported that bids will be solicited from select lists of qualified contractors approved by the Chief Engineer on the following contracts for work at the Elizabeth Industrial Park site: Contract EIP-140.001 for the construction of six oil recovery wells, related underground piping and an oil/water separation system; Contract EIP-140.002 for the excavation, handling and disposal, in accordance with applicable Federal and State laws, of PCB-oil saturated refuse material in the southern portion of the site and Contract EIP-120.007 for the construction of the central industrial park access and specially designed utility systems for the development of the southerly 86 acres. Bids are presently scheduled to be received on Contract EIP-140.001 on June 28, 1984, on Contract EIP-140.002 on July 5, 1984 and on Contract EIP-120.007 on a date in July 1984, yet to be set.

The Board, at its meeting on August 27, 1980, authorized the Executive Director to establish and implement affirmative action efforts with respect to contracting opportunities. Accordingly, Contract EIP-120.007 includes a provision that the bidder will use every good faith effort to meet a goal for Minority Business Enterprise participation of 25% with a minimum of 20% for firms owned and controlled by minorities and up to 5% for firms owned and controlled by women.

Mitigation and paving and utilities construction is subject to the written concurrence of the New Jersey Department of Environmental Protection in regard to landfill disruption and the issuance of applicable permits related to the construction.

In order that construction may start as soon as possible after the receipt of bids, it was recommended that the Board authorize the Executive Director to authorize the award of the three contracts to the lowest qualified bidder on each.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize the acceptance of those bids on Contracts EIP-140.001, EIP-140.002 and EIP-120.007 in each case submitted by the lowest bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable or to authorize the rejection of all bids; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized without further Board or Committee approval to order extra work for each said contract up to an amount equal to 15% of the bid on the contract accepted by the Port Authority.

Elizabeth Industrial Park - Certification

It was recalled to the Board that the Board, at its meeting on March 12, 1981, authorized a number of actions in connection with industrial development and marine terminal projects in the States of New York and New Jersey. The master plan identifying specific sites for potential development was amended to include the Kapkowski Road site in Elizabeth, New Jersey, subject to adoption of necessary agreements and the ability of the Port Authority to make necessary financial certifications including those required for the issuance of Port Authority Consolidated Bonds. The Board authorized a project for the development of the approximately 125-acre Elizabeth Industrial Park site involving an estimated capital expenditure by the Port Authority of $16.8 million (the Facility).

Port Authority investment was expected to include an amount for land already owned by the Authority, site preparation, including improvements useful for the adjacent marine terminal facility, paving and utilities, and construction of an industrial building, including engineering and administrative costs, and costs related thereto or in connection therewith.

On November 18, 1981, the Port Authority and the City of Elizabeth executed an agreement setting forth arrangements to develop an industrial park site. Under the Agreement, the Port Authority is to be responsible for the development of improvements on and relating to the site, and for the maintenance of the roadways within the project site. The agreement also provides for payments in lieu of taxes by the Port Authority to the City of not less than $750 thousand per year for a 245-acre parcel (236 acres purchased by the Port Authority in 1980 from the estate of the Central Railroad of New Jersey (CNJ) combined with a 9-acre parcel acquired from CNJ in 1976) of which the Facility is a part so long as the entire project site is owned by the Port Authority. The agreement provides for certain offsets to the payments in lieu of taxes as private organizations occupy parcels of land at the site. The City is to improve existing water and sewer systems to serve the general area, including the project site.

Subsurface environmental investigations of the 245 acres revealed the presence of miscellaneous solid refuse and polychlorinated biphenyl (PCB) contaminated waste oil and established that the PCB contaminated waste oil is the only significant environmental problem encountered. During the past two years, the entire 245-acre parcel has been tested and the Port Authority undertook installation of operational models of the two preferred mitigation systems at the industrial park portion. At the conclusion of the environmental investigation in early April 1984, a modified industrial development plan was reviewed with the New Jersey Department of Environmental Protection. Preliminary approval of that plan, which encompasses

approximately 86 acres of the original site has been received and will accommodate between 1.5 and 2.0 million square feet of buildings. It is also being recommended today that a system of oil recovery wells and a groundwater handling and oil separation system be installed in the northwest portion of the industrial park and that areas of contaminated refuse material be excavated from the southern portion of the industrial park as final remedial action. The cost to the Port Authority for the mitigation program is estimated to be about $6.3 million, plus an annual operating cost of between $300 thousand and $400 thousand over the next five to ten years - none of which is attributable to the Facility and thus all of which will be excluded from the amount authorized for the development of the industrial park. It is possible that the presence of hazardous waste such as PCBs which will require mitigation measures may give rise to legal liability. Once the preliminary regulatory approvals are formalized, limited insurance coverage may be available.

Concurrent with the site planning and engineering analyses, a test marketing effort was undertaken and it has been determined that private developers and industrial users are interested in the site despite its environmental history. Accordingly, it is also being recommended that contracts be awarded for paving and utilities, specifically for the construction of the central industrial park access road and specially designed utility systems to accommodate the development for industrial uses of the southerly 86 acres of the Facility.

The cost to the Port Authority of this modified development plan is estimated to be $14.5 million. This amount includes provision for the first industrial building, site preparation, paving and utilities, surcharge (fill) and previously incurred land acquisition expenses of $2.5 million. Thus, exclusive of the $2.5 million in land acquisition cost, the additional capital expenditures on the Facility will amount to $12.0 million.

The Elizabeth Industrial Park will be an additional facility of the Port Authority and, therefore, in connection with the first issuance of any Consolidated Bonds or Notes for purposes of this project, the Authority is required by covenants with its bondholders to make a certification relating to the financial effect upon the Authority of financing the additional facility. Thus, certification is necessary if the proceeds of Consolidated Notes, Series II, the issuance of which in connection with this facility is to be recommended to the Board and which are expected to be issued in the near future, are to be used for purposes of capital expenditures in connection with the additional facility.

The Assistant Executive Director and Chief Financial Officer has reviewed the projected overall financial standing and condition of the Authority and the economics of the Facility on the basis of the issuance of Consolidated Bonds (including Consolidated Notes) to finance the total cost thereof.

The Assistant Executive Director and Chief Financial Officer has also reviewed with the Commissioners his formal opinion to them consistent with Section 7 of the resolutions establishing outstanding series of Consolidated Bonds including Consolidated Notes that the issuance of Consolidated Notes, Series II, for purposes in connection with the additional facility, will not, during the periods 1984 through 2019, the traditional term of Consolidated Bonds, and 1984 through 1994, the immediately ensuing 10-year period associated with the issuance of Consolidated Notes, in the light of the Authority's estimated expenditures in connection with the additional facility, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

In reaching this conclusion, the Assistant Executive Director and Chief Financial Officer considered the covenant with holders of Port Authority Consolidated Bonds (including Consolidated Notes) to establish charges in connection with facilities whose net revenues are pledged as security for such bonds to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds including those issued for the Facility.

It was therefore recommended that the Board make the certification required by the Authority's agreements with the holders of outstanding bonds.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that certification is hereby made, that in the opinion of the Port Authority the issuance of Consolidated Notes, Series II, for purposes which include expenditures in connection with the Elizabeth Industrial Park (the Facility), will not during the periods 1984 through 1994 and 1984 through 2019, in the light of the Authority's estimated expenditures in connection with the Facility and the Authority's anticipated revenues and expenses during those periods, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments,

whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

RESOLVED, that the Committee on Finance is hereby authorized to reaffirm said certification on behalf of the Authority at such time, on or before July 31, 1984, as Consolidated Notes, Series II, are issued provided that there is no substantial change in the economic basis for said certification; and it is further

RESOLVED, that in default of a reaffirmation of said certification by the Committee on Finance, said certification shall not apply to the issuance of Consolidated Notes, Series II, and the proceeds thereof shall be used for the stated purposes of such issuance other than the Facility.

Consolidated Notes, Series II - Report

It was reported that the gross capital expenditure budget for 1984 adopted by the Board on January 12, 1984, totals about $340 million, and under present circumstances it is desirable for the Port Authority to finance a portion of those capital expenditures through the issuance of short-term obligations, in addition to those issued under the Port Authority's commercial paper program. It is desirable to establish and authorize the issuance of Consolidated Notes, Series II, at this time and to authorize the Committee on Finance to sell up to $5 million in principal amount of the Notes at public or private sale on or before July 31, 1984, to facilitate the commencement of construction of the Elizabeth Industrial Park in a timely fashion, consistent with the Port Authority's agreements with the holders of its bonds.

The proceeds of Consolidated Notes, Series II, would be authorized, subject to allocation by the Committee on Finance, for purposes of capital expenditures in connection with the Authority's facilities, as follows: bridges and tunnels; airports, docks and wharves; mass commuting facilities (consisting of bus terminals, buses, ancillary bus facilities and the Hudson Tubes portion of the Port Authority Trans-Hudson System); storage or training facilities directly related to any of the foregoing; and industrial development projects or facilities; provided, however, that no more than 10% of the amount of the proceeds of such Notes would be used for capital expenditures in connection with the construction of structures or buildings at an industrial development project or facility other than those structures or buildings incidental to the development of the land for such project or facility. The Committee on Finance would be authorized to allocate the proceeds of the Series II Notes in connection with some but not all of the purposes for which they could be spent.

It was recommended that the Board authorize the Committee on Finance to appoint one or more Paying Agents and a Registrar in connection with the Notes.

It was further recommended that the Board provide that no part of the proceeds of such Series II Notes shall be used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date of issue of such Notes, to produce a yield during the term of such Notes which is materially higher (taking into account any discount or premium) than the yield on such Notes, but provide also that the proceeds of such Notes may be invested for a temporary period in securities or other obligations until such proceeds are needed for the purposes for which such Notes are issued. The Committee

on Finance would be authorized to impose further restrictions on the investment of the proceeds of the Notes and, if on the date of issue of such Notes a differential yield is permitted, to invest the proceeds of the Notes in obligations which will not produce a yield greater than that permissible.

In addition to the customary certifications, determinations, statements and other documents necessary or desirable in connection with the issuance of Authority obligations, the Chairman of the Port Authority, Vice Chairman of the Port Authority, Chairman of the Committee on Finance, Executive Director, Assistant Executive Director, Chief Financial Officer, Assistant Chief Financial Officer, Director, Finance Department/Comptroller, Deputy Comptroller, Assistant Director, Finance Department, Treasurer or Assistant Treasurer of the Port Authority would be authorized expressly to certify on behalf of the Port Authority as to the need for the issuance of the Series II Notes for the purposes for which such Notes are issued, as to the status of the projects or purposes for which the proceeds of said Notes would be used, as to the Port Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee on Finance, and to take any action which may be necessary or desirable in connection with the Notes including those necessary or desirable to ensure that the Notes are issued in conformity with the Internal Revenue Code, as amended, and the regulations issued thereunder, or presently pending Federal legislation.

The Series II Notes would be dated as of the date of their original issuance, mature on or before June 30, 1985 (which maturity date would be fixed by the Committee on Finance), and bear interest at a rate to be set by the Committee on Finance not in excess of 9% per annum. The Series II Notes would not be subject to redemption prior to maturity. The Notes would be registered notes payable as to both principal and interest to the registered holder. They would not be registrable as to principal alone. The Notes could be registrable to "bearer."

The Notes would be issued in denominations of $5,000 or integral multiples of $5,000.

Consolidated Notes, Series II—Establishment and Authorization of Issuance

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter called the "Authority") hereby finds and determines that it is necessary to provide capital funds for the purposes hereinafter set forth; and

WHEREAS, under present circumstances it is desirable and in the public interest to provide said required capital funds in part by the issuance of short-term notes in conformity with the Consolidated Bond Resolution adopted October 9, 1952;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions; *provided, however,* that the term "facility" herein shall not include any railroad car owned, leased or operated pursuant to Chapter 638 of the Laws of New York of 1959 and Chapter 25 of the Laws of New Jersey of 1959 or any acts amendatory thereof or supplemental thereto.

SECTION 2. There is hereby established a series of negotiable notes of the Authority to be known as "Consolidated Notes, Series II" (hereinafter called the "Series II Notes" or "notes of this Series") and the issuance of up to Five Million Dollars ($5,000,000) in principal amount of such Series II Notes is hereby authorized. Said Series II Notes shall be established and issued pursuant to and shall conform in all respects to the aforesaid Consolidated Bond Resolution.

The Series II Notes shall be issued in one or more lots as the Authority may hereafter determine, shall be dated as of the date of original issuance to the initial purchaser of the first lot of Series II Notes, shall be of the denominations of $5,000 or any integral multiple of $5,000, shall bear a stated rate of interest, if any, from their date, payable at maturity, not in excess of nine per centum (9%) per annum as may be determined by the Committee on Finance of the Authority (which said Committee is hereby authorized to fix and determine said interest rate, if any, or to determine that said Series II Notes shall not bear a stated rate of interest), and shall mature on or before June 30, 1985 (which maturity date shall be fixed by the Committee on Finance). Series II Notes shall be numbered upward from C(II)-1, or they may bear such other numbers as the Chairman of the Authority, the Vice Chairman of the Authority, the Chairman of the Committee on Finance, the Executive Director, Assistant Executive Director, Chief Financial Officer, Assistant Chief Financial Officer, Director, Finance Department/Comptroller, Deputy Comptroller, Assistant Director, Finance Department, Treasurer or Assistant Treasurer of the Authority may deem appropriate.

Both principal of and interest on each of the Series II Notes shall be payable at maturity, in lawful money of the United States of America, upon presentation and surrender thereof at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents appointed for the purpose by the Authority, in a county which is in whole or in part within the Port of New York District.

SECTION 3. The proceeds of such Series II Notes shall be used for purposes of capital expenditures in connection with the Authority's facilities, as follows: bridges and tunnels; airports, docks and wharves; mass commuting facilities (consisting of bus terminals, buses, ancillary bus facilities and the Hudson Tubes portion of the Port Authority Trans-Hudson System); storage or training facilities directly related to any of the foregoing; and industrial development projects or facilities; *provided, however,* that no more than ten per centum (10%) of the amount of the proceeds of such Series II Notes may be used for the purposes of capital expenditures in connection with the construction of structures or buildings at an industrial development project or facility other than those structures or buildings incidental to the development of the land for such project or facility.

SECTION 4. Said Series II Notes shall be issued in registered form in any authorized denomination or denominations, and shall be fully registrable as to both principal and interest (but not as to either alone) in accordance with the provisions for registration pertaining to the Series II Notes, and may be registered to "bearer".

SECTION 5. The Authority shall keep or cause to be kept at the office or offices, designated by the Authority, of its Registrar appointed for the purpose by the Authority, in a county which is in whole or in part within the Port of New York District, proper and sufficient books for the registration of notes of this Series. Unless registered to "bearer", each Series II Note shall be transferable only upon such books by the registered holder thereof or such holder's attorney duly authorized in writing.

A registered note or notes of this Series, upon the written request of the registered holder or holders thereof and upon surrender thereof, may be exchanged for a registered note or notes of this Series, registered as designated in such request, of any other authorized denomination or denominations, of the same aggregate principal amount and of like tenor as the surrendered note or notes.

All requests for the registration, transfer, exchange and delivery of notes of this Series as above provided shall be filed with the Registrar of the Authority; all notes of this Series to be surrendered pursuant to such request shall be surrendered to the Registrar of the Authority; and all notes of this Series delivered in exchange as aforesaid shall be delivered by the Registrar of the Authority.

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of notes of this Series, including the cost of cancelling old notes and of preparing and delivering new notes, and including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

Nothing contained in this resolution shall be deemed to authorize the execution and delivery of notes of this Series except in the denominations of $5,000 or integral multiples of $5,000.

SECTION 6. Series II Notes shall not be redeemable prior to maturity.

SECTION 7. The Authority shall not apply any monies in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however,* that nothing herein contained shall be construed to permit the application by the Authority of monies in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for purposes and upon conditions which in the case of the Consolidated Bond Reserve Fund are authorized by the Consolidated Bond Resolution or in the case of said special reserve funds are authorized by the respective resolutions establishing such prior issues of bonds.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply monies in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part.

Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. Each Series II Note shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed by any one of the following persons, to wit:—the persons holding the office or exercising the duties of the Chairman of the Authority, the Vice Chairman of the Authority, the Chairman of the Committee on Finance, the Executive Director, Assistant Executive Director, Secretary, Assistant Secretary, Chief Financial Officer, Assistant Chief Financial Officer, Director, Finance Department/Comptroller, Deputy Comptroller, Assistant Director, Finance Department, Treasurer or Assistant Treasurer of the Authority at the time of its execution, *provided,* that each Series II Note may be executed by the facsimile signature of any of the foregoing persons and, in such event, such note shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, manually executed by the Registrar of the Authority. No Series II Note bearing a facsimile signature of the foregoing persons shall be entitled to any benefit under this resolution or the Consolidated Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Registrar of the Authority, as aforesaid, and such manually executed certificate upon such note shall be conclusive evidence that such note has been authenticated and delivered hereunder. Such certificate of authentication on any such note shall be deemed to have been executed by the Registrar of the Authority, as aforesaid, if signed by an authorized officer thereof, but it shall not be necessary that the same officer sign the certificate of authentication on all of such notes issued hereunder. Each of said notes shall be in substantially the following form, the blank spaces being appropriately filled in, and, as applicable, taking account of the changes and adjustments authorized in this resolution:

(FORM OF NOTE)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

CONSOLIDATED NOTE

SERIES II

$ ..... No. C(II) .....

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (formerly known as The Port of New York Authority and hereinafter called the Authority), a body corporate and politic, created by the Compact of April 30, 1921, between the State of New York and the State of New Jersey, to which the consent of the Congress of the United States was given by Public Resolution No. 17, 67th Congress, First Session, acknowledges itself indebted and for value received hereby promises to pay on the day of , 1985, to the registered holder, the sum of Dollars ($) together with interest thereon at the rate of per centum (%) per annum, payable upon maturity. Both principal of and interest upon this note are payable, in lawful money of the United States of America, at the office or offices of the Paying Agent or Paying Agents of the Authority.

This note is issued pursuant to and in full conformity with the Compact between the States of New York and New Jersey creating the Authority and the various statutes of said two States amendatory thereof and supplemental thereto, for purposes provided in said Compact and statutes; and is a direct and general obligation of the Authority for the prompt payment of the principal of and interest on which the full faith and credit of the Authority are irrevocably pledged. The provisions of the resolution of October 9, 1952, establishing an issue of Consolidated Bonds, and of the resolution of June 14, 1984, establishing the Series of which this note forms a part and authorizing the issuance of this note, constitute a contract between the Authority and the holder of this note, which is subject to modification as therein provided.

This note is not subject to redemption prior to maturity.

This note is registered as to both principal and interest (but not as to either alone) in conformity with the provisions set forth in the resolution establishing and authorizing the issuance of this note.

The registered holder of this note may, upon application to the Registrar of the Authority, exchange this note separately or together with other notes of this Series for an aggregate principal amount of such notes in registered form as provided by and under the circumstances and in the manner set forth in the resolution establishing and authorizing the issuance of this note.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this note, exist, have happened and have been performed in due time, form and manner as required by the Constitutions and statutes of the States of New York and New Jersey, the Compact creating the Authority and the aforesaid resolutions of the Authority, and that the amount of this note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by said Constitutions, statutes, Compact or the Consolidated Bond Resolution.

IN WITNESS WHEREOF, The Port Authority of New York and New Jersey has caused its name to be signed hereto by its duly authorized officer and its official seal, or facsimile thereof, to be hereto affixed or impressed or printed hereon, and this note to be dated as of the day of , 1984.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

.....
Authorized Officer

(END OF FORM OF NOTE)

The certificate of authentication attached to each of the notes of this Series executed by a facsimile signature on behalf of the Authority shall be in substantially the following form, the blank spaces being appropriately filled in:

(FORM OF CERTIFICATE OF AUTHENTICATION)

This note is one of the notes issued under the provisions of the within-named resolution and the Consolidated Bond Resolution.

Date of Authentication: .....

REGISTRAR
as Registrar of the Authority

By .....
Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

Unless otherwise determined by the Authority, each note of this Series shall have provisions for registration, transfer and exchange endorsed thereon, in substantially the following form:

(FORM OF PROVISIONS FOR REGISTRATION, TRANSFER AND EXCHANGE)

Provisions for Registration, Transfer and Exchange

This note may be fully registered as to principal and interest (but not as to either alone) in the name of such person as the registered holder may designate in writing to the Registrar for the notes of this Series on the books kept by such Registrar, such registration being noted hereon by such Registrar, in the registration blank below. This note may be registered to "bearer", after which this note shall pass by delivery. Unless this note is registered to "bearer", no transfer shall be valid unless made on said books by the registered holder or attorney duly authorized in writing, and similarly noted in said registration blank below.

Date of Registration	Registered Holder	Signature of Registering Officer
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of notes of this Series, including such fees as may be imposed by the Registrar for such services performed by the Registrar.

(END OF FORM OF PROVISIONS FOR REGISTRATION, TRANSFER AND EXCHANGE)

In case any official of the Authority who shall have signed any of the Series II Notes shall cease to be such official before the notes shall have been actually issued, the Series II Notes may nevertheless be issued as though the person who signed such notes had not ceased to be such official of the Authority.

SECTION 9. The Committee on Finance of the Authority is hereby authorized prior to the issuance of any of the Series II Notes to fix the date as of which the notes of this Series shall be dated as of the date of original issuance to the initial purchaser of the first lot of Series II Notes, *provided*, that such date shall not be later than July 31, 1984; to fix the date at which notes of this Series shall mature and be retired, *provided*, that said date of maturity shall not be later than June 30, 1985; and to adjust or change the provisions contained in this resolution related to the payment of interest.

SECTION 10. In case any Series II Note shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new note of like tenor and amount in exchange or substitution for and upon cancellation of said mutilated note or in lieu of or in substitution for such destroyed or lost note; or if such note shall have matured, instead of issuing a substitute note the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute note shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such note and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute note or make any such payment; or any Paying Agent may make such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute note, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new note so issued in substitution. Any note issued under the provisions of this Section in lieu of any note alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority,

whether or not the note so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other notes, bonds and coupons issued hereunder or thereunder.

SECTION 11. In the event the Committee on Finance determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of any of the Series II Notes to purposes in connection with some but not all of the purposes authorized in Section 3 hereof, the Committee on Finance is hereby authorized, prior to the sale of said Series II Notes from time to time, to make such allocation by resolution. The adoption by said Committee of such a resolution prior to any such sale shall be sufficient to restrict the application of the proceeds of any Series II Notes included in said sale to the purposes specified by the Committee on Finance in said resolution.

SECTION 12. The provisions of this resolution shall constitute a contract with the holders of the notes issued pursuant to this resolution, and with each such holder.

Consolidated Notes, Series II—Authorization of Sale

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, on the 14th day of June, 1984, The Port Authority of New York and New Jersey (hereinafter called the "Authority") adopted a resolution providing for the establishment of and authorizing the issuance of the Consolidated Notes, Series II (hereinafter called the "Series II Notes" or "Notes") for the purposes set forth in said resolution; and

WHEREAS, the Authority has now determined that it is advisable and in the public interest to provide for offering the Series II Notes for sale;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. The Committee on Finance is hereby authorized to sell and to deliver all or any part of Five Million Dollars ($5,000,000) in principal amount of Consolidated Notes, Series II, at a price which will result in a net interest cost to the Authority not in excess of nine per centum (9%) per annum to maturity, and to do so in the name of and on behalf of the Authority, at public or private sale, with or without advertisement, in one or more lots, at one or more times on or before July 31, 1984, and to apply the proceeds of such sale or sales as provided in the resolution establishing and authorizing the issuance of said Series II Notes.

SECTION 2. The Committee on Finance shall have power, in connection with the Series II Notes, to fix the time or times of sale on or before July 31, 1984, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 3. The Committee on Finance shall have power, in the name of and on behalf of the Authority, in connection with the Series II Notes, to enter into any appropriate contracts or agreements concerning any sales; to fix the time or times and determine the terms and conditions of delivery of the Series II Notes; to designate and appoint and to enter into appropriate contracts or agreements with one or more Paying Agents and a Registrar in connection with the Series II Notes and to designate the office or offices of any such Paying Agent or Paying Agents at which payments shall be made and the office or offices of the Registrar at which the books for registration shall be kept; to enter into any appropriate contracts or agreements providing insurance in connection with the Series II Notes; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised by the Authority as a condition precedent to the issuance of the Series II Notes or for the purpose of determining whether all conditions precedent to their issuance exist, the Authority hereby adopting all such selections, designations, determinations, actions, withholdings of action, estimates and exercises of judgment and discretion, whether pursuant to Section 3 of the Consolidated Bond Resolution of October 9, 1952, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

SECTION 4. The Committee on Finance shall have power, in connection with the sale of the Series II Notes, to authorize one or more official statements in the name of and on behalf of the Authority (describing the Authority, its financial condition and the Series II Notes offered for sale, and making representations on behalf of the Authority). The Authority hereby authorizes the purchaser or purchasers in offering said Series II Notes for resale to use such official statements and representations as those of the Authority.

SECTION 5. No part of the proceeds of such Series II Notes shall be used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date of issue of such Notes, to produce a yield during the term of the Notes which is materially higher (taking into account any discount or premium) than the yield on such Notes, but the proceeds of such Notes may be invested for a temporary period in securities or other obligations until such proceeds are needed for the purposes for which such Notes are issued. The Committee on Finance is hereby authorized to impose further restrictions on the investment of the proceeds of the Notes and, if on the date of issue of such Notes a differential yield is permitted, to authorize the investment of the proceeds of the Notes in obligations which will not produce a yield greater than that permissible.

SECTION 6. The Committee on Finance or any member thereof, the Chairman of the Authority, the Vice Chairman of the Authority, the Executive Director, Assistant Executive Director, Chief Financial Officer, Assistant Chief Financial Officer, Director, Finance Department/Comptroller, Deputy Comptroller, Assistant Director, Finance Department, Treasurer or Assistant Treasurer of the Authority are each hereby authorized, in connection with the issuance and sale of the Series II Notes, to take any action which may be necessary or desirable to ensure that the Series II Notes are issued in conformity with the provisions of the Internal Revenue Code, as amended, and the regulations issued thereunder, or presently pending Federal legislation, and any such actions taken in connection therewith are hereby ratified. The Chairman of the Authority, the Vice Chairman of the Authority, the Chairman of the Committee on Finance, the Executive Director, Assistant Executive Director, Chief Financial Officer, Assistant Chief Financial Officer, Director, Finance Department/Comptroller, Deputy Comptroller, Assistant Director, Finance Department, Treasurer or Assistant Treasurer of the Authority are each hereby authorized to certify on behalf of the Authority as to the need for the issuance of the Series II Notes for the purposes for which such Notes are issued, as to the status of the projects for which the proceeds of the Notes would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee on Finance.

(Board - 6/14/84)

Parasol Insurance Program

It was reported that on May 13, 1982 the Board authorized the purchase of Excess Liability and Property Insurance in limits of $200 million per occurrence, at a three-year prepaid premium of $930,750, from Lloyd's of London as lead underwriters, through the brokers, Hamond and Regine, Inc. and C.E. Heath and Co., Ltd. The Board, at its meeting on December 9, 1982, also authorized the purchase of an additional $100 million of Excess Liability and Property Damage Insurance from Lloyd's of London as lead underwriters, through the brokers, Hamond and Regine, Inc. and C.E. Heath and Co., Ltd., at a prepaid premium of $266,145 for the 2½-year period from December 15, 1982 to June 15, 1985.

Adverse underwriting conditions in the world insurance markets, particularly with respect to reinsurance treaties, have caused a number of the current underwriters of our Parasol Insurance Program to cancel their participation in these policies effective June 15, 1984, one year earlier than the expected termination date, in accordance with the cancellation provision included in the policies. Efforts by brokers and staff have been successful in restructuring this insurance with Lloyd's of London as lead underwriters through a new three-year policy covering the period from June 15, 1984 to June 15, 1987 at a prepaid premium of $1,250,000. This premium, on an annualized basis, is roughly the same as the current annualized premium of $416,708 for the present three-year prepaid program and is considered very favorable by staff in view of the tightening of world insurance markets.

The restructured program will consist of $200 million of coverage provided by Lloyd's of London underwriters, with the balance of coverage to be provided by domestic and other world insurance markets. Although unlikely, due to the low premium and tightening market conditions, some of the balance of coverage to be provided by domestic and other world insurance markets may be placed after June 15, 1984, may apply to a period of less than three years, or may not be placed at all. As a result, as much as $43 million, or 14 1/3%, of the Parasol coverage may not be placed as of June 15, 1984, and in such event the Port Authority will become a co-insurer for such shortage at a proportional reduction in premium.

Recommendation was made that the Board authorize the purchase from the London market and various U.S. insurance underwriters through the brokers, Hamond and Regine, Inc. and C.E. Heath and Co., Ltd., of up to $300 million per occurrence Excess Liability and Property Damage Insurance, commencing June 15, 1984 for a three-year term, at a three-year prepaid premium of up to $1,250,000 less a credit of up to $416,708 for the return premium for the early cancellation of the coverage authorized by the Board on May 13, 1982 and on December 9, 1982 for the period from June 15, 1984 to June 15, 1985; with such coverage to be provided over the $200 million per occurrence Public Liability Policy, and the $200 million per occurrence All Risk Property Damage and Loss of Revenue Policy and the $300 million per occurrence by Bridge and Tunnel All Risk Property Damage and Loss of Revenue Insurance Policy.

Approved.

(Board - 6/14/84)

Kennedy International/LaGuardia Airports - Purchase and Lease of Motor Coaches for Airport Bus Service

It was recalled that the Port Authority has formulated a policy of increasing the role of public transportation in airport access, with a special emphasis being placed on high occupancy modes. The proposed acquisition of 20 motor coaches, set forth below, will promote this airport access program including the dual objectives of having superior service for Port Authority airport patrons and increasing the capacity of existing airport facilities by promoting the use of public transportation.

Staff has been engaged in negotiations with Motor Coach Industries, Inc. (MCI), the manufacturer which can best satisfy Port Authority requirements, for the purchase of 20 new motor coaches at a price of approximately $3.36 million. Negotiations are also proceeding regarding a permit agreement to make the 20 coaches available, for a term not to exceed one year, to Carey Transportation, Inc., (Carey) the carrier franchised by the City of New York, for use in service between Manhattan and our New York airports. Carey, a Port Authority ground transportation permittee for many years, has executed an agreement deferring, with interest, the payment of permittee fees owed (which now exceed the sum of $900,000) for a 21-month period ending on September 30, 1984, with the deferred amount to be paid over the following five years, with interest.

The effort to obtain these coaches was initiated after staff was advised by Carey that it did not have enough buses in sound condition to operate an adequate summer schedule. Carey has also informed staff that, should the company be unable to achieve a significant increase in revenue, it may have to terminate its airport operations sometime in 1984. If such a situation should occur, these vehicles would be at the disposal of the Port Authority to serve as the core of an emergency fleet. Additionally, if another carrier were to be authorized to operate bus service to and from the New York airports, these coaches could be made available to it. The motor coach purchase will enable us to ensure that the Port Authority has the resources to ameliorate the immediate equipment problem while also providing staff with the time needed to fully examine longer term options regarding both bus services to and from the New York airports and general airports ground transportation policy.

One of the Port Authority's primary concerns in this matter, over both the long and short-term, is having high quality bus service available between the New York airports and Manhattan. It should be noted that New Jersey Transit, which now provides excellent service between Newark International Airport and the Port Authority Bus Terminal, is using coaches obtained under the Port Authority Bus Program.

To determine which coach supplier could best fulfill Port Authority requirements, staff contacted all of the major bus manufacturers. Only two of them could meet the desired July delivery date, and MCI was the one best able to satisfy all of the requirements. As of this date, $160,000 has been paid to MCI so that the 20 coaches will be on hand by the summer peak travel period. This non-refundable payment, which will be credited toward the $3.36 million purchase price, was required by that company to offset the additional expenses it would incur if we did not go forward with the purchase.

A permit agreement, terminable by either party on 30 days' notice after an initial 90 day fixed term, is being negotiated with Carey, whereby the company will pay to the Port Authority, on a monthly basis, a fee sufficient to amortize the acquisition costs of the 20 coaches, including interest. Carey will receive a fee credit for 10 of the buses, the credit to constitute the Port Authority contribution toward the costs of a demonstration project, lasting no longer than one year, consisting of new service involving the soon to be established Air TransCenter at the Port Authority Bus Terminal.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into agreements with MCI and Carey all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement with Motor Coach Industries, Inc. for the purchase of 20 motor coaches at a cost of approximately $3.36 million; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a permit agreement with Carey Transportation, Inc. (Carey) commencing after acceptance of any of the motor coaches for a term not to exceed one year, such term to be initially fixed at 90 days and subsequently terminable by either party on 30 days' notice, for the use of 20 Port Authority motor coaches in Carey's transportation service to and from Kennedy International and LaGuardia Airports the monthly charge for the 20 coaches to be $56,000; and it is further

RESOLVED, that while Carey provides, during the above-described term, a demonstration project consisting of new service involving the Air TransCenter at the Port Authority Bus Terminal, the permit being separately terminable with respect to such new service, the Port Authority will afford monthly fee credits to Carey in an amount up to the fee otherwise payable for 10 of the coaches to compensate it for the provision of airport bus service to the Air TransCenter; and it is further

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

(Board - 6/14/84)

Newark International Airport - North Terminal Alterations - Conversion of Federal Inspection Services Area to Terminal Space - Contract NIA-110.024 - Project Authorization and Contract Award

It was reported that construction of a new Federal Inspection Services area in Terminal "C" at Newark International Airport is currently underway, and it is anticipated that these new facilities will be operational in June 1984. The existing Federal Inspection Services area in the North Terminal can be removed and refurbished to recreate public terminal space. The work, to be performed under Contract NIA-110.024, will include the removal of walls, immigration booths, Customs counters and offices, the renewal of portions of the flooring and ceiling, signing and other associated work.

Bids on Contract NIA-110.024 are scheduled to be solicited on July 5, 1984 from a select list of qualified minority business firms and are scheduled for receipt on July 26, 1984.

In an effort to assure that the additional public terminal space is available as quickly as possible after the relocation of the Federal Inspection Services to Terminal "C", it was recommended that the Board authorize:

1. a project for the conversion of the existing Federal Inspection Services area in the North Terminal at Newark International Airport to public terminal space, the expenditure therefore presently being estimated at approximately $1,546,000, including $850,000 in payments to contractors, an $85,000 allowance for extra work and $611,000 for engineering, administrative and financing expenses; and

2. the Executive Director to authorize award of Contract NIA-110.024 for the removal of walls, immigration booths, Customs counters and offices, the removal of portions of the flooring and ceiling, signing and other associated work, all in the existing Federal Inspection Services area in the North Terminal at Newark International Airport to the lowest qualified bidder.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project for the conversion of the existing Federal Inspection Services area in the North Terminal at Newark International Airport to public terminal space, the expenditure therefore presently being estimated at approximately $1,546,000 including $850,000 in payments to contractors, an $85,000 allowance for extra work and $611,000 for engineering administrative and financing expenses, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, either to authorize the acceptance of the lowest bid on Contract NIA-110.024 for the removal of walls, immigration booths, Customs counters and offices, the removal of portions of the flooring and ceiling, signing and other associated work, all in the existing Federal Insection Services area in the North Terminal at Newark International Airport submitted by that bidder, who in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable or to authorize the rejection of all bids; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to order extra work in connection with Contract NIA-110.024 up to an amount of $85,000 without further Board or Committee approval.

(Board - 6/14/84)

Kennedy International Airport - Contract with the Federal Aviation Administration for the Modification of the Approach Lighting System on Runway 13L

It was reported that the Federal Aviation Administration (FAA) is scheduled to upgrade its Approach Lighting System (ALS) on the west end of Runway 13L-31R, to Category II configuration, which requires the addition of several in-pavement light stations on the runway. This type of installation will necessitate the closing of approximately 1,000 feet of runway for a period of approximately six weeks. Port Authority Contract JFK-452 to rehabilitate the same runway is under way and it requires the closing of the entire runway three days a week for a period of approximately five weeks.

In order to minimize the number of times the runway is shutdown and to produce a better quality final product, Port Authority staff and representatives of the FAA decided that all preparatory work on the runway required for the modification of the ALS should be included in the Port Authority contract. This work is being performed concurrent with the runway rehabilitation.

The FAA will pay a total amount of $152,400 which will cover the construction, and direct and indirect Port Authority internal costs.

It was recommended that the Board authorize this agreement with the FAA.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into a contract with the Federal Aviation Administration (FAA) whereby the FAA will pay the Port Authority the lump sum of $152,400 for the performance of the work associated with the modification of its Approach Lighting System (ALS) on Runway 13L at Kennedy International Airport; said contract to be subject to approval as to form by General Counsel or his authorized representative.

Kennedy International Airport - Pan American World Airways, Inc. - New Hangar Leases

It was recalled that the Board, at its meeting on December 10, 1981, authorized new long term leases, through May 31, 1995, with Pan American World Airways, Inc. for Hangars 14 and 17 and Cargo Building 67. Pan American's original leases for the Hangar 14 and 17 premises expired in October 1982 and May 1980 respectively and its original lease for Cargo Building 67 is due to expire in September 1986. Pan American was to have paid under the new agreement annual rentals for the Hangar 14 and 17 premises of $7,377,252 which would increase in stages to $10,207,716.

The authorized leases with Pan American for Hangars 14 and 17 were not put into effect. Subsequent to the Board authorization and during a period of heavy financial losses, Pan American began to re-evaluate its facility requirements at Kennedy International Airport. Last year, after a year of recovery and impressive growth in traffic, Pan American proposed to the Port Authority that Hangars 14 and 17 and adjacent Hangar 16, for which their lease expired in October 1982 be demolished and that a new 40-plus gate passenger terminal be constructed on the property. This major new project, which would significantly increase overall passenger terminal capacity at Kennedy International Airport, is under review to determine its operational and financial feasibility.

In view of the uncertainty created by the new terminal proposal, the Aviation Department entered into negotiations with Pan American last year on short term leases for the three hangar facilities. Pan American has been paying rentals which amount to approximately $2 million per year for the hangars, which will continue to be paid by Pan American up to such time as the new arrangement authorized hereunder goes into effect, July 1, 1984.

Negotiations have now been substantially completed on extensions to existing leases or one or more new leases under which Pan American will pay rentals of $5.5 million per year for these facilities. The letting would be for an initial fixed term of two years during which Pan American will pay $230,000 per month and will accrue $228,333.33 per month with interest at a rate equal to the Citibank prime interest rate in effect on July 1, 1984. The initial two-year term will then be followed by an optional two-year renewal term, during which Pan American will pay the full monthly rental of $458,333.33 ($5.5 million per year) and will repay the rentals and interest accrued during the initial term with interest at the aforesaid rate on the declining unpaid balance, payments to be in equal monthly installments. This repayment schedule will remain in effect even if Pan American does not exercise its option for the two-year renewal term.

Subsequent to the initial two-year term, Pan American will have the right to vacate designated portions of the hangar premises, in which case rentals in amounts as set forth in the leases for said portions will terminate. Any accrued rentals and interest from the initial term related to areas which may subsequently be vacated will continue to be due and payable over the following two-year period. There would also be provisions in the leases authorized hereunder for the protection of the Port Authority in the event there is a substantial change in the ownership or control of Pan American, including but not limited to our lessee becoming a corporation separate and apart from Pan American as its exists today.

Pan American has advised the Port Authority that at the present time it does not need for its current purposes all of Hangars 14, 16 and 17 and the related areas and facilities thereon but that it is prepared to enter into the arrangement outlined above because of its hope that either the use of the hangars will become more important to it and be extended or that the sites upon which the hangars are located will be designated by the Port Authority for development for another purpose, including a possible passenger terminal and it wishes to have the right to be the airline tenant that would negotiate the terms of a lease for the new facility.

The Port Authority expects to be developing in the next several years its plans for the utilization of all or a substantial portion of the sites covered by the leases for Hangars 14, 16 and 17. In the event it determines that at least two of the three hangars being leased to Pan American would remain, Pan American would then have the right to negotiate with the Port Authority for a continuance of its occupancy of said hangars and related areas, under a lease, the terms of which would have to be agreed upon including, but not limited to rentals payable, but in no event will the term of the lease to be negotiated be less than 10 years. In the event the Port Authority determines that the major portion of the sites covered by the leases for Hangars 14, 16 and 17 are to be developed for another purpose which involves occupancy or use by an airline it shall advise Pan American of the proposed use it believes the sites should be put to. Pan American would then have the right to negotiate with the Port Authority for its occupancy of the proposed new facility under a lease, the terms of which would have to be agreed upon including but not limited to rentals payable, and in the case of a proposed new passenger terminal the term of the lease would not be less than 25 years. It is understood that the lease for the hangar, passenger terminal or other use may, in the discretion of the Port Authority, be made with a trust to be organized by the Port Authority and Pan American. Once Pan American advises the Port Authority that it is interested in negotiating on any of the proposals set forth above, the Port Authority agrees that it will negotiate in good faith with Pan American on the proposal provided Pan American is at that time and during negotiations not in breach of a substantial obligation of any of its agreements with the Port Authority. Should Pan American and the Port Authority fail to enter into a fully executed agreement within the latter to occur on 18 months after the commencement of the aforesaid negotiations or the expiration of the renewal period, during which time Pan American will continue to occupy Hangars 14, 16 and 17 on the terms set forth above, and the Port Authority service a written notice on Pan American to such effect, all of the provisions with respect to negotiations for any new lease shall be of no further force or effect and be null and void. However, should Pan American and the Port Authority, as a result of such negotiations, agree upon all the terms and provisions of a new lease except financial, including the form thereof, then, if at any time no more than five years following the date of the aforesaid notice the Port Authority is prepared to enter into a lease with another airline covering use of substantially the same sites for basically the same purpose as set forth in the agreed upon form of the proposed Pan American lease but with financial terms and provisions which would yeild to the Port Authority amounts less than offered by the Port Authority to Pan American (it being understood that the lease the Port Authority is prepared to enter into with the other airline need otherwise not be on the same terms and conditions as the proposed Pan American lease), Pan American would have the one-time right to enter into the form of lease it had agreed upon with the Port Authority with appropriate changes in the commencement and expiration dates and with the financial terms and provisions offered by the Port Authority to the other airline.

The Board authorization of December 10, 1981 relating to Cargo Building 67 and site area called for a new lease from Septemeber 22, 1986 (the expiration date of the original lease) to May 31, 1995 at a total annual rental of $2,700,324 increasing to $3,082,560 effective June 1, 1990. The original lease term will not be extended at this time.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement or agreements with Pan American World Airways, Inc. at Kennedy International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement or agreements of lease with Pan American World Airways, Inc. covering Hangars 14, 16, 17 and related ancillary buildings and site areas at Kennedy International Airport to be effective July 1, 1984 for a fixed two-year term and with Pan American to have an option for a two-year extension, at a total rental of $5.5 million per year such rental for the initial two-year term to be paid by Pan American monthly at the rate of $230,000 with the balance of $228,333.33 to accrue with interest at a rate equal to the Citibank prime interest rate in effect on July 1, 1984, with such accrual to be repaid together with interest at the aforesaid rate in equal monthly installments commencing upon the expiration of the initial two-year term and, in the event Pan American should exercise its two-year extension option, Pan American would then commence paying, in addition, the full monthly rental installment of $458,333.33, Pan American to have the right subsequent to the initial two-year term to vacate and surrender designated portions of the hangar premises with applicable rental decreases, and the leases to contain provisions for protecting the interests of the Port Authority in the event there is a substantial change in ownership and control of Pan American, including but not limited to the lessee thereunder becoming a corporation separate and apart from Pan American as it exists today, and in the event the Port Authority shall, in its discretion, determine to continue to utilize substantial portions of the site in the future for occupancy or use by an airline or airlines and Pan American shall be in occupancy of the premises at such time and shall not be in breach of a substantial obligation of any of its agreements with the Port Authority at any of our airports then Pan American shall have the right to enter into negotiations with the Port Authority, each party agreeing to negotiate with the other in good faith, for a continuation of Pan American's occupancy of said premises under a lease (which at the discretion of the Port Authority may be entered into with a turst to be organized by Pan American and the Port Authority) which in the event of continued use as hangar space would be for a term of not less than 10 years or in the event of use as new passenger terminal space for a term of not less than 25 years at rentals and other terms to be agreed upon, such new lease with Pan American to be subject to the approval of the Board, and if such lease is not negotiated and executed by the parties by the later of the end of the said two year extension period under the leases or 18 months after the initial proposal, if any, by the Port Authority to Pan American, the Port Authority shall have the right to

terminate said negotiations and shall have no further obligation to Pan American with respect thereto, except, that if agreement had been reached with Pan American on all of the terms and provisions except financial, and the form of a new lease, and if within no more than five years of the termination of said negotiations the Port Authority shall be prepared to enter into a lease with another airline on financial terms and provisions which would yield to the Port Authority amounts less than the agreement offered by the Port Authority to Pan American covering substantially the same site for basically the same purpose as contained in the proposed Pan American lease, then Pan American would have a one-time right to enter into the said form of agreement negotiated with the Port Authority on the financial terms and provisions offered by the Port Authority to the other airline, and with appropriate changes in the commencement and expiration dates; the foregoing agreement or agreements to be subject to approval of form by General Counsel or his designated representative.

(Board - 6/14/84)

The World Trade Department - Newark Legal and Communications Center (Riverfront Project) - Project Authorization

It was reported that staff has continued with the planning for the development of an office building to be constructed as part of the redevelopment of an area in the vicinity of Penn Station in Newark. As part of the continued planning, discussions have been held with a view toward entering into an agreement among the Port Authority, the City of Newark (Newark) and the Newark Economic Development Corporation (NEDC) regarding the various rights, duties and obligations of the parties relating to the anticipated development. Newark and NEDC have filed an application with the U.S. Department of Housing and Urban Development for an Urban Development Action Grant (UDAG) to be used for the construction of a garage and walkway which are planned as part of the development and have requested Port Authority commitment to the development in support of this application. While the Port Authority's commitment to the project stems from the Governors' bi-State program as outlined in the Minutes of the Board's special meeting on June 29, 1983, the actual implementation of the project is subject to appropriate authorizations and certifications in keeping with the Port Authority's covenant with its bondholders as well as affirmative findings by the Board with respect to the economic feasibility of the project.

As presently contemplated, space in the proposed office building will be conveyed to private entities at a per square foot cost to cover the Port Authority's project cost plus debt service factor. It is anticipated that the office building will be marketed as a legal and communications center. Marketing and public information efforts by Port Authority staff have revealed strong interest in purchasing office space in the building and strong support for the project's goals from the Newark legal community. Staff expects that this project will meet the Port Authority's financial tests if carried out as described.

The proposed agreement to be entered into among the Port Authority, Newark and NEDC will provide, among other things, that the Port Authority will provide approximately $40 million subject to appropriate authorizations and certifications, including those related to contracts with Port Authority bondholders as well as affirmative findings with respect to the economic feasibility of the project. The Port Authority will develop the office building and its related infrastructure and will be responsible for its management and operation. The draft agreement provides further that NEDC will acquire the site land and will convey or lease to the Port Authority the property required for the construction of the office building in a manner which will permit the Port Authority to convey space to purchasing firms. NEDC will enter into a contract with the Port Authority pursuant to which the Port Authority will act as a general contractor and will construct the planned parking garage and walkway. The Port Authority shall implement an affirmative action plan conforming generally to the goals of the City's affirmative action plan and will monitor and enforce the performance by the contractor.

(Board - 6/14/84)

The proposed agreement anticipates that the parties will enter into a management/operating agreement covering the walkway and garage pursuant to which the Port Authority will retain the right with the other parties to jointly select the operating contractor so as to assure high standards of security, maintenance and general operation, consistent with the operation of a first class office building. So that the City will not be unduly deprived of revenue because of the Port Authority's ownership or use of any portion of the office building and as consideration of the agreements with the City and NEDC relating to the garage and walkway, the Port Authority will agree to pay annually to NEDC an amount based on the number of occupied square feet in the office building controlled by the Port Authority.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to proceed with the development of an office building of approximately 300,000 net rentable square feet and its related infrastructure in the City of Newark adjacent to Penn Station and the PATH terminus at an approximate total cost of $40 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to enter into an agreement with the City of Newark and the Newark Economic Development Corporation for the development of the office building, its related infrastructure, an elevated pedestrian bridge connecting the office building to Penn Station and a parking garage and such other agreements or conveyances as are necessary to effectuate the agreement; and it is further

RESOLVED, that all legal documents necessary to consummate the aforesaid be subject to approval as to form by General Counsel or his duly authorized representative.

(Board - 6/14/84)

Minorities and Minority Business Enterprises - Policy Statement - Industrial Development and Waterfront Development Project Contracts - Other Contracts

It was reported that the Port Authority is authorized under Chapter 651 of the Laws of New York of 1978 and Chapter 110 of the Laws of New Jersey of 1978 to undertake industrial development projects in the Port District and that it is anticipated that the States of New York and New Jersey will enact concurrent legislation which will authorize the Port Authority to undertake mixed-use waterfront development projects in the Port District. In view of the longstanding practice of the Port Authority of making its contract opportunities available to as many firms as possible, the affirmative steps the Port Authority has already taken to encourage minorities and minority business enterprises to seek business opportunities with the Port Authority and the anticipated enactment by both States of the aforementioned waterfront development legislation, it is desirable that the Port Authority reiterate its policies with respect to anti-discrimination, including its policy statement of August 27, 1980, and further its encouragement of minorities and minority business enterprises to seek business opportunities with the Port Authority.

It was therefore recommended that the Board adopt, conditioned upon the enactment of the aforementioned concurrent waterfront legislation by the two States, a statement of policy concerning its active and affirmative promotion and assistance with respect to the participation of minorities and minority business enterprises in the Port Authority construction, procurement and services programs in connection with all industrial development and waterfront development projects and concerning its further encouragement of minorities and minority business enterprises to seek business opportunities with the Port Authority.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, the Port Authority has a longstanding practice of making its contract opportunities available to as many firms as possible and has taken affirmative steps to encourage minorities and minority business enterprises to seek business opportunities with the Port Authority; and

WHEREAS, the Board of Commissioners of the Port Authority desires to reiterate its policies with respect to anti-discrimination, including its policy statement of August 27, 1980, and further its encouragement of minorities and minority business enterprises to seek business opportunities with the Port Authority; and

WHEREAS, the Port Authority has created the position of Director of Minority Business Development to provide overall supervision to its efforts to assure the participation of minorities and minority business enterprises in all Port Authority projects; and

WHEREAS, the Port Authority is authorized under Chapter 651 of the Laws of New York of 1978 and Chapter 110 of the Laws of New Jersey of 1978 to undertake industrial development projects in the Port District; and

(Board - 6/14/84)

WHEREAS, it is anticipated that the States of New York and New Jersey will enact concurrent legislation which will authorize the Port Authority to undertake mixed-use waterfront development projects in the Port District; and

WHEREAS, the Board of Commissioners of the Port Authority desires to actively and affirmatively promote and assist the participation of minorities and minority business enterprises in the Port Authority construction, procurement and services programs in connection with all such industrial development and waterfront development projects; and

WHEREAS, the Port Authority shall prepare annual reports delineating its efforts to implement this resolution and furnish copies thereof to the Governors and the chief legislative leaders of the Legislatures of the States of New York and New Jersey as well as to the Chairperson of the New York State Legislature's Black and Puerto Rican Caucus and his or her counterpart in the New Jersey State Legislature; and

WHEREAS, it is the express intention of the Board that this resolution shall take effect upon the enactment by the States of New York and New Jersey of concurrent legislation which authorizes The Port Authority of New York and New Jersey to undertake mixed-use waterfront development projects in the Port District; be it

RESOLVED, that the Port Authority, in connection with the negotiation, award and implementation of all its construction, procurement and service contracts for all such industrial development and waterfront development projects:

(1) shall provide in its construction, procurement and service contracts for industrial development and waterfront development projects that:

(a) The contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training,

(b) At the request of the Port Authority, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreements or understanding and which is involved in the performance of the contract with the Port Authority to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implemention of the contractor's obligations hereunder,

(c) The contractor will state, in all solicitations of advertisements for employees placed by or on behalf of the contractor in the performance of the contract with the Port Authority, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status,

(d) The contractor will include the provisions of subparagraphs (a) through (c) of this paragraph in every subcontract or purchase order in such a manner than such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract with the Port Authority; and

(2) shall establish procedures and guidelines to ensure that contractors and subcontractors undertake programs of affirmative action as required under paragraph 1 above. Such procedures, where practicable, shall require the submission of an affirmative action program prior to the award of any contract, or at any time thereafter, and require the submission of compliance reports relating to the operation and implementation of any affirmative action program adopted hereunder. Such procedures and guidelines shall be generally consistent with the guidelines promulgated by the Office of Federal Contract Compliance Programs of the United States Department of Labor pursuant to presidential executive order eleven thousand two hundred forty-six, as amended, and any similar guidelines promulgated by both the States of New York and New Jersey. The Port Authority shall, in the promulgation of procedures and guidelines pursuant to this paragraph, cooperate with any Federal, state or local agency established for the purpose of implementing affirmative action compliance programs; and it is further

RESOLVED, that the Port Authority shall seek meaningful participation in such industrial development and waterfront development project construction, procurement and service programs by minority business enterprises. The Port Authority shall designate as a goal and shall use its best efforts to achieve 10% of the total dollar value of such contracts under the aforesaid programs to be let each year for goods and services capable of being furnished by qualified minority business enterprises; and it is further

RESOLVED, that the Port Authority shall seek meaningful participation by minority business enterprises in its programs of new construction, procurement and services in connection with all of its other facilities. The Port Authority shall use special efforts to increase the level of participation of minority business enterprises in such services. The Port Authority shall use its best efforts to move expeditiously toward a goal of 10% of the total dollar value of its new construction and procurement contracts in connection with such facilities to be let each year for goods and services capable of being furnished by qualified minority business enterprises. The Port Authority shall identify those projects under new construction where a sufficient pool of qualified minority business enterprises exist and shall make the 10% goal presently applicable for the new construction contracts in connection with those projects; and it is further

(Board - 6/14/84)

RESOLVED, that the Port Authority shall move as expeditiously as possible to increase the aforementioned percentage goals; and it is further

RESOLVED, that for purposes hereof, minority business enterprise shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are:

(1) Black persons having origins in any of the black African racial groups not of Hispanic origin;

(2) Hispanic persons of Puerto Rican, Mexican, Dominican, Cuban, Central or South American culture or origin, regardless of race;

(3) Asian and Pacific Islander persons having origins in any of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands;

(4) American Indian or Alaskan Native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

and such ownership interest is real, substantial and continuing; and it is further

RESOLVED, that in the implementation of this resolution, the Port Authority may consider compliance by any contractor with the provisions of any Federal, state or local law concerning minority business enterprises or equal employment opportunity which are at least equal to the provisions of this resolution, as effectuating the provisions of this resolution. If the Port Authority determines that by virtue of such compliance with the provisions of any such law, in respect to contracts under aforesaid construction, procurement and services programs, that the provisions hereof duplicate or conflict with such law, the Port Authority may waive the applicability of the provisions of this resolution to the extent that such duplication or conflict exists; and it is further

RESOLVED, that none of the provisions of this resolution shall be construed to limit the ability of any minority business enterprise, as defined herein or otherwise, to bid on any Port Authority contract; and it is further

RESOLVED, that the Port Authority shall encourage the formation and growth of minority business enterprises which may be able to meet the construction, procurement and service needs of the Port Authority, including efforts to seek innovative techniques to overcome the barriers to such formation and growth and to enhance the ability and capacity of minority business enterprises to do business with and for the Port Authority; and it is further

(Board - 6/14/84)

RESOLVED, that in order to implement the requirements and objectives of this resolution, the Port Authority shall maintain an office within the Port Authority for the purpose of monitoring its and its contractors' compliance with the provisions hereof, of advising the Port Authority on the availability of competing qualified minority business enterprises to perform contracts proposed to be awarded by the Port Authority, and of making recommendations to the Port Authority to improve the access of minority business enterprises to Port Authority contracts.

The York Division of the Borg Warner Corporation v. The Port Authority of New York and New Jersey

It was reported that there is presently pending in the United States District Court for the Southern District of New York a suit entitled **The York Division of the Borg Warner Corporation v. The Port Authority of New York and New Jersey** wherein Borg Warner Air Conditioning Inc., the successor to The York Division of the Borg Warner Corporation, is seeking declaratory judgment, a court order fixing compensation for extra and additional work, and a money judgment for a sum certain in the amount of $44,514.89.

It is recalled to the Board, the plaintiff, Borg Warner Air Conditioning, Inc., was the successful bidder for the fabrication and installation of the centrifugal refrigeration and air conditioning system under Contract WTC-501.00 awarded to The York Division of the Borg Warner Corporation on October 30, 1968. Concurrently with the award of the fabrication and installation contract was the award of a maintenance agreement for a period of 20 years from acceptance of the equipment. York completed installation of the air conditioning system by July of 1975 with the exception of performance testing of the machines. In order to close out the installation contract the performance testing requirements was transferred into the maintenance agreement. Under the maintenance agreement the plaintiff is required to perform full maintenance and repair at its own cost throughout the 20-year term.

The plaintiff commenced maintenance of the equipment with the issuance of the first Certificate of Partial Completion of 1972 and advised the Port Authority on various occasions up to the time of the commencement of the law suit in March 1980, that unfavorable ambient conditions including but not limited to dust, excess moisture, and standing water, were creating an unreasonable increase of risk that equipment would fail and otherwise was causing additional cost to the plaintiff under the maintenance agreement.

In its first cause of action, the plaintiff sought from the Court declaratory judgment that it either was no longer obligated to perform under the maintenance agreement due to those adverse conditions or that it was entitled to additional compensation for the past periods of $133,077 and the sum of $1,000,084 as increased costs for the remainder of the maintenance agreement. Plaintiff in its second cause of action sought the sum of $44,514.89 for additional and extra work having to do with a tube failure. This sum of $4,000 was increased during the pendency of the law suit to encompass other claims for the cost of refrigerant and other associated and additional work for the total amount of $100,000.

The Port Authority answered the complaint of the plaintiff and asserted a counter claim on the basis that the equipment did not perform according to the representations made by York at the time of its bid and was not in compliance with the performance criteria as set forth in the original contract. Based upon theoretical modes of operation, the Port Authority sought for past inefficiencies the sum of $1.7 million for excess electrical energy costs. Additionally, the Port Authority counter claimed in the alternative for the amount of $6 million representing projected future excess energy costs or for the sum of $1.5 million representing estimated capital modification costs to render the equipment capable of performing in compliance with the

the construction contract performance criteria. Pursuant to the direction of Judge Sands, the Federal District Court Judge to whom this case was assigned, the parties engaged in lengthy and protracted settlement discussions. As a result of those settlement discussions, a settlement agreement, contingent upon Board approval, was entered into on the 12th day of April, 1984. That agreement provides essentially as follows:

York Claims

York has agreed to settle all of its claims, to give the Port Authority a General Release of all claims presently asserted or reasonably foreseeable and to continue its performance under the maintenance agreement in exchange for the Port Authority making payment to it in the sum of $50,000. Further, the Port Authority has agreed that it has undertaken and will undertake in the future certain remedial measures to eliminate any adverse ambient conditions.

As to the Port Authority claim, York has agreed to retrofit two of the existing 7,000 ton compressors with 2,500 ton parallel compressors. As part of the settlement, York will supply all material including the compressors for the retrofit and the Port Authority will pay for the labor costs for the installation. This retrofit should provide operating efficiency to the Port Authority in excess of that originally contemplated in the construction agreement and York has also given a warranty with regard to the operating characteristics of the retrofit systems. Further, York has agreed to perform certain modifications to the existing valve system such as to provide for additional efficiency and to maintain on site additional spare parts for maintenance purposes.

The agreement further provides that the maintenance agreement shall be modified to reflect an increase of $2,196.12 per month in the base cost of maintenance to account for the maintenance of this additional equipment. Further the maintenance contract is to be amended to provide for the payment of $6,000 per year for the additional maintenance of electrical potheads not otherwise York's responsibility. Lastly, the maintenance agreement inspection procedures are to be modified to better reflect industry standards.

The Port Authority's Engineering Department advises that the value of the equipment to be supplied by York, at no cost to the Port Authority, is in excess of $1 million. This value, in addition to the projected additional annual savings in electrical energy costs from the retrofit, will more than compensate the Port Authority for any past excess electrical costs.

The settlement agreement envisions the execution in the future of a Sales and Installation Agreement with York for the retrofit equipment, a General Release, and an amendment to the maintenance contract.

In light of the potential exposure to the Port Authority for additional costs in the event that the plaintiff was successful in its primary action, and in light of the value that the Port Authority shall receive on its counter claim, the complex settlement as set forth in the settlement agreement is reasonable and prudent.

It was recommended that the Board authorize General Counsel to settle the above action as outlined above, and further to authorize the Director of the World Trade Department to enter into an agreement for the delivery and installation of the retrofit equipment and an agreement amending the maintenance contract.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that General Counsel be and he hereby is authorized to settle the case of **The York Division of the Borg Warner Corporation v. The Port Authority of New York and New Jersey** pending in the United States District Court for the Southern District of New York pursuant to the agreement of the parties made on the 12th day of April, 1984, and as approved by this Board; and it is further

RESOLVED, that the Director of the World Trade Department be and he hereby is authorized to enter into a contract for the delivery and installation of two 2,500 parallel compressors to the existing air conditioning system at The World Trade Center embodying the terms of the settlement agreement on the 12th day of April, 1984; and it is further

RESOLVED, that the Director of the World Trade Department be and he hereby is authorized to enter into an amendment to the maintenance agreement embodying the terms of the settlement agreement on the 12th day of April, 1984.

Whereupon, the meeting was adjourned.

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Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, July 12, 1984

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, July 12, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Robert F. Wagner, Vice-Chairman
Jerry Fitzgerald English	William J. Ronan
Robert V. Van Fossan	James G. Hellmuth
Philip D. Kaltenbacher	John G. McGoldrick
William K. Hutchison	Howard Schulman
Henry F. Henderson, Jr.	

Patrick J. Falvey, General Counsel/Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Anthony J. Barber, Deputy Director of Tunnels, Bridges and Terminals
Robert F. Bennett, Assistant Executive Director/Chief Financial Officer
Pilar G. Carbajal, M.D., Medical Director
Gwendolyn K. Crider, Administrative Assistant
Henry DeGeneste, Superintendent of Police, Public Safety
Eugene J. Fasullo, Deputy Director of Engineering/Deputy Chief Engineer
Sidney Frigand, Assistant Executive Director/Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director/Director of Administration
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
Louis J. LaCapra, Assistant Director of Personnel
Philip LaRocco, Director, Economic Development Department
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Katharine B. MacKay, Assistant Executive Director/Director of State Relations
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Assistant Chief Financial Officer
Leonard J. Riley, Director of Office Management Information Services
Martin E. Robins, Director of Planning and Development
Victor T. Strom, Director of Public Safety
Anthony J. Tozzoli, Port Director
Guy F. Tozzoli, Director of World Trade
Barry Weintrob, Director, Finance Department/Comptroller
Marvin Weiss, Director, Office of Minority Business Development
Marshal L. Wilcox, Jr., Treasurer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs

The meeting was called to order by the Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of May 30, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey and that the time for action by the Governors of New York and New Jersey had expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on July 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on July 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on July 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on July 12, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

(Board - 7/12/84)

Staten Island Homeport Facility - Marine Related Improvements - Authority to Execute Contract with the United States Department of the Navy

It was reported to the Board that in 1982, the United States Department of the Navy announced that it was considering several potential locations in the northeast to establish a homeport facility for a Surface Action Group of seven ships; a battleship and several support vessels. The homeport facilities will include two piers, as well as ship, personnel and administrative support facilities. New facilities will be constructed by the Navy at the Stapleton waterfront and at Fort Wadsworth, which is located within approximately one mile of the Stapleton site.

The ports initially considered for this project included the Port of New York and New Jersey, Boston and Naragansett Bay. The Port Authority, in conjunction with the Cities of New York and Bayonne and the assistance of the States of New York and New Jersey, identified three sites in the Port of New York and New Jersey for consideration by the Navy. Evaluation by the Navy of the technical proposal, coordinated by the Port Authority, concluded that the Stapleton, Staten Island site was the most attractive of the three sites in the New York Harbor. On July 29, 1983, the Secretary of the Navy announced the selection of the Stapleton site as the Navy's preferred alternative for the homeport facility. The creation of the homeport facility and the related activity it will generate is a significant effort in the economic development of the New York/New Jersey port area and as such, was very strongly supported by the Port Authority.

The bi-State proposal to the Navy, provided for a Port Authority capital expenditure of up to $15 million for marine related improvements, consisting of dredging and related bulkhead improvements, to the area adjacent to the selected site. As presently proposed, the Navy would receive bids and award a contract for this work, with up to $15 million of capital expenditures under this contract to be paid by the Port Authority. Construction is expected to begin in late 1985 with substantial completion expected in 1986. Prior to beginning this work, the Navy is required to complete an Environmental Impact Statement in accordance with the National Environmental Protection Act. The Navy would be responsible for all operations and construction on and near the site. In this capacity, the Navy would directly supervise the work performed by the selected contractor or contractors and would be responsible for any costs in excess of $15 million. Construction supervision will be conducted by the Navy.

The Port Authority would receive appropriate assurances from the Navy that the total cost to the Port Authority would not exceed $15 million. In the event the Navy materially ceases operations at the Stapleton site, the Navy would agree to pay, subject to the availability of appropriations and Congressional approval, to the Port Authority the remaining unamortized amount of the Port Authority's capital expenditures for the improvements.

It was therefore recommended that the Board authorize the Executive Director to execute a contract or contracts with the United States Department of the Navy, or others, in connection with the provision of marine related improvements, including dredging and bulkheading work, adjacent to the Stapleton, Staten Island site for the U.S. Navy Surface Action Group Homeport facility, at a total cost to the Port Authority not in excess of $15 million, including the cost of any letters of credit or other provisions for payment requested by the Navy.

(Board - 7/12/84)

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a contract or contracts with the United States Department of the Navy or others in connection with the provision of marine related improvements, including dredging and bulkheading work, adjacent to the Stapleton, Staten Island site for the United States Navy Surface Action Group Homeport Facility, at a total cost to the Port Authority not in excess of $15 million, including the cost of any letters of credit or other provisions for payment requested by the Navy; and it is further

RESOLVED, that the form of the agreement be subject to the approval of General Counsel or his designated representative.

(Board - 7/12/84)

The World Trade Center - Condenser Water and Ventilation System - Two World Trade Center - Project Authorization

It was reported to the Board that the World Trade Center special air conditioning requirements are currently supplied by two condenser water systems serving One World Trade Center, Four World Trade Center, Five World Trade Center and Two World Trade Center up to the 21st floor, which are utilized to maximum capacity. The present and anticipated influx of larger, more diversified tenants into the space vacated by New York State, and their associated special air conditioning demands, will make it necessary to provide a third condenser water system for the first two zones of Two World Trade Center.

Condenser water systems supply the water which serves as a heat sink for air conditioning units in computer rooms, trading floors, exhibits, executive suites and other areas occupied during the late evenings and weekends when the base building systems are shut down. In addition, outdoor air for ventilation purposes is also supplied when the base building systems are shut down. With the proposed departure of New York State from Two World Trade Center, the demand for these special services by the new tenants in that building will create a substantial demand for condenser water and auxiliary air which could not be provided by the partial system presently installed in Two World Trade Center.

The construction Contract WTC-563.00 for this project will include a condenser water and auxiliary air system. The condenser water system will generally consist of heat exchangers at the Elevation 274' Level with piping and risers to the 43rd floor of Two World Trade Center, heat exchangers and pumps at the 43rd floor pump room, and risers to the 75th floor. The ventilation air system consists of two air conditioning units located on the 43rd and 75th floors which provide the conditioned air. It is currently estimated that the total project will amount to approximately $3.4 million.

Staff has determined that the installation of the Two World Trade Center condenser water and auxiliary air systems is imperative for the complete and effective rental of the vacant State space. In every discussion that staff has conducted with prospective tenants for this space, each prospective tenant has indicated that additional air conditioning is essential to their operation and must be provided in order for them to occupy space at The World Trade Center. To date, AT&T, Marine Midland Bank, Farr Mann, Guy Carpenter & Co. Inc., and other prospective tenants with whom the Port Authority is in various discussions have made requests for these services. Staff anticipates that with the increased reliance on and use of computers, other major prospective tenants will have similar condenser water and ventilation requirements. The ability to offer these services will greatly enhance the rentability of the available space. Staff anticipates soliciting proposals for this project as soon as Board approval is granted.

It was therefore recommended that the Board authorize a project for the installation of a condenser water and ventilation system to satisfy the heat dissipation needs of special air conditioning loads planned by existing and future tenants in Two World Trade Center, in an estimated amount of approximately $3.4 million including payments to contractors, an allowance for extra work and net cost items, and engineering, administrative and financing expenses.

(Board - 7/12/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project for the installation of a condenser water and ventilation system to satisfy the heat dissipation needs of special air conditioning loads planned by existing and future tenants in Two World Trade Center, in an estimated amount of approximately $3.4 million, including payments to contractors, an allowance for extra work and net cost items, and engineering, administrative and financing expenses, be and it hereby is authorized.

(Board - 7/12/84)

The World Trade Center - Contract WTC-577.647 - Emergency Power for TV Broadcasters - One World Trade Center

It was reported to the Board that the leases with the various TV broadcasters provide that the Port Authority shall negotiate and consult with the broadcasters to the end that an agreement with respect to the installation of an emergency power facility at The World Trade Center will be expeditiously concluded. CBS, Inc., American Broadcasting Companies, Inc., National Broadcasting Company, Inc., Metromedia, Inc., RKO General, Inc. and WPIX, Inc. now wish to conclude such an arrangement with the Port Authority. The proposed agreement would provide that the Port Authority purchase and install an additional generator, capable of producing 1,200 kw, which would give the broadcasters the capability of operating during an electric power emergency. The broadcasters would reimburse the Port Authority for the cost, plus appropriate overheads, for such purchase and installation based on the proportionate share of the total additional generator capacity that will be used by the broadcasters and with title to this proportionate share vesting with the broadcasters. Further, each for its proportionate share of all broadcasters' increased capacity. Payment by the broadcasters will be made within 10 days after progress payments are paid by the Port Authority to the contractor and bills rendered to the broadcasters. The broadcasters have agreed to a proportionate payment of the approximate $400,000 purchase price of the generator, including overheads, and the anticipated installation cost of $1,621,026 which includes the base contract price of $1,091,600, extra work of $109,160 and overhead of $420,266. Any additional costs required to complete the installation work will require approval of the broadcasters. If the excess contract costs are not approved by the broadcasters, the Port Authority will have the right to terminate the agreement and the broadcasters shall not be entitled to be reimbursed for any portion of their capital contribution.

It is currently estimated that the broadcasters will utilize 71.3% of this additional generator capacity with the remaining capacity available for use by other World Trade Center tenants at a fee which would enable the Port Authority to recover its full costs. The Port Authority will be responsible for the control, maintenance and repair of the total emergency power system and the broadcasters will pay to the Port Authority their proportionate share of all operating costs, plus overhead, associated with the General Emergency Electrical Power System.

The agreement will commence on the date upon which the document is fully executed and will expire on April 30, 2004. If a broadcaster does not exercise its renewal options or elects to withdraw from the agreement, with the consent of the Port Authority and the other broadcasters, or if a broadcaster's lease is terminated, then that broadcaster will lose all rights under the agreement and will not be entitled to any compensation for such loss of its interests under the agreement. The agreement will expressly provide that the furnishing by the Port Authority of the emergency power to the broadcasters will be subordinate to the needs to protect life and property at The World Trade Center in a situation where the supply of emergency power may be needed.

(Board - 7/12/84)

On May 11, 1984, the Executive Director authorized the award of Contract WTC-577.815, Standby Generator for TV Broadcasters, to W.A. Kraft Corp. at its bid price of $293,600, exclusive of extra work in the amount of $10,000, for the purchase and installation of the generator. Staff is now ready, pending Board approval and the execution of the agreement with the broadcasters, to recommend award of Contract WTC-577.647, Emergency Power for TV Broadcasters, to provide for the installation of the required distribution system necessary to transmit the power from the sub-grade to the broadcasters' premises.

Proposals were solicited for Contract WTC-577.647 from 34 qualified bidders and on May 8, 1984, the following bids were received:

Jandous Electric Construction Corp.	$1,091,600
Heckler Electric Co., Inc.	1,310,000
Tap Electric	1,363,000
Broadway Maintenance Corp.	1,374,000
Lowy & Donnath, Inc.	1,444,000
Coin Electric Co.	1,575,000
Hatzel & Buehler Inc.	1,592,975
Robert B. Samuels	1,612,000
Hugh O'Kane Electric Co., Inc.	2,134,000
Engineering Dept. Consultant's Estimate	**$1,047,000**

The low bidder, Jandous Electric Construction Corp., is qualified to perform the requirements of this contract and has previously performed satisfactory work for the Port Authority.

It was therefore recommended that the Board authorize:

1. the Executive Director to enter into an agreement with the TV broadcasters covering the purchase and installation of a generator, wiring, controls and equipment required to provide the broadcasters with the capability to continue broadcasting in the event of a power failure;

2. the award of Contract WTC-577.647, Emergency Power for TV Broadcasters, to Jandous Electric Construction Corp., a firm located in Long Island City, New York, at its low bid price of $1,091,600, exclusive of an authorization for extra work in the amount of $109,160; and

3. the Director, World Trade Department, to approve extra work in an amount not to exceed $110,000.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, the Port Authority desires to enter into an agreement with the TV broadcasters covering the purchase and installation of a generator, wiring, controls and equipment required to provide the broadcasters with the capability to continue broadcasting in the event of a power failure; and

WHEREAS, the Port Authority has invited proposals on Contract WTC-577.647 for the installation of the required distribution system necessary to transmit the power from the sub-grade to the broadcasters' premises; and

WHEREAS, proposals on the aforesaid contract were submitted to the Port Authority and were opened and then carefully compared and the qualifications of the contractors carefully investigated; and

WHEREAS, Jandous Electric Construction Corp. has submitted a proposal for the performance of said contract in the amount of $1,091,600 and the Port Authority is satisfied that said contractor is qualified by reason of responsibility, experience and capacity to perform the contract if it be awarded to it and that the public interest will be best served by accepting the proposal of said contractor;

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement with CBS, Inc., American Broadcasting Companies, Inc., National Broadcasting Company, Inc., Metromedia, Inc., RKO General, Inc. and WPIX, Inc. covering the purchase and installation of an emergency power generator capable of producing 1,200 kw, and wiring, controls and equipment related to provide the said broadcasters with a capability to continue broadcasting in the event of a power failure, with provision that said broadcasters will reimburse the Port Authority for the cost, plus appropriate overheads, for such purchase and installation based on the proportionate share of the total additional generator capacity that will be used by the broadcasters, with title to this proportionate share vesting in the broadcasters and the broadcasters to also pay their proportionate share of all operating costs, plus overhead, associated with the General Emergency Electrical Power System; any cost to complete the installation work based on expenditures in excess of contract prices of $296,300 and $1,091,600 respectively, plus $30,000 and $109,160 respectively, for extra work which will require approval by the broadcasters and if such additional cost is not so approved, the Port Authority will have the right to terminate the agreement with the broadcasters having no right to receive repayment of amounts reimbursed to the Port Authority; the form of the agreement to be subject to the approval of General Counsel or his designated representative; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to accept the proposal on Contract WTC-577.647 in the manner provided therein, provided that until the Executive Director shall give formal notice to that effect to the contractors, as provided therein, this resolution shall not be construed as an acceptance of said proposal; and it is further

RESOLVED, that upon acceptance of said proposal on Contract WTC-577.647, the Port Authority staff members designated by title in said contract to exercise certain powers and duties be and they hereby are authorized to exercise said powers and duties and to do all things required or permitted by said contract to be done by them; and it is further

(Board - 7/12/84)

RESOLVED, that the Director, World Trade Department, be and he hereby is authorized to order extra work up to the amount of $109,160 without further Board or Committee approval; and it is further

RESOLVED, that the Secretary be and she hereby is directed to file in and as part of her official records the proposal on said contract and the duplicate original of the acceptance thereof.

(Board - 7/12/84)

Newark International Airport - Terminal C - International Departure Facilities - Amendments to Project Authorization

It was reported to the Board that the Board, at its meeting on April 12, 1984, authorized a project for the construction of international departure facilities in Terminal C, to supplement the international arrival facilities recently completed in the westerly third (C-3 portion) of the terminal, at a preliminary estimated project cost of $15.0 million, including administrative, engineering and financial expenses. It was reported to the Board that staff deemed it prudent to continue the strategic plan to stimulate the growth of international flights at the airport by providing modern, state-of-the-art international departure facilities to integrate with the international arrival facilities, thereby permitting turnaround capability to international carriers.

Based on the recent substantial growth in traffic at Newark International Airport and in anticipation of increases in both scheduled and non-scheduled international traffic in the near future, it has become necessary to complete the international departure facilities in Terminal C at the earliest possible date. Accordingly, staff has developed a "fast track" schedule for completing these facilities in time to accommodate 1985 peak traffic, which is over a year in advance of the date by which the facilities would be available if a "fast track" schedule were not adopted.

Also, the Board, at its meeting on March 15, 1984, approved the basic terms of a trust and lease and funding for People Express Airlines, Inc. to expand and construct facilities in the remaining two-thirds (C-1 and C-2 portions) of Terminal C. These facilities will also be constructed on a "fast track" schedule for completion by the latter part of 1985. People Express recently opened a temporary departure facility in the C-1 and C-2 portions of Terminal C, as an interim accommodation for their 1984 summer international and domestic wide-bodied flights. However, this temporary facility must be demolished to complete the airline's permanent construction in C-1 and C-2, thereby further necessitating the completion of the permanent departure facilities by next summer.

In order to meet the Port Authority's "fast track" schedule for completion of the permanent departure facilities, several items must be approved by the Board. Funds for the building construction portion of the permanent international departure facilities to be constructed under Contract NIA-110.027 and the rampside apron paving portion of Contract NIA-110.025 were provided in the authorization obtained at the April 12, 1984 Board meeting, assuming a normal design and construction schedule. These funds are presently estimated to be increased by $2.6 million to cover allowances for premium time labor, premiums for early material deliveries, additional technical assistance, other contingencies associated with the "fast track" schedule, and the paving of an additional 13,000+ square yard area on the C-3 apron ramp to be used for aircraft parking.

(Board - 7/12/84)

In order to commence design as soon as possible to meet the "fast track" schedule, two professional service firms, William Nicholas Bodouva and Associates and Louis Berger International, Inc., have been retained by the Engineering Department to provide expert engineering services related to the aforementioned development of Terminal C, at a total maximum compensation payable to each firm of $250,000, pursuant to prior authorization adopted by the Board at its meeting on December 8, 1983. Each firm was selected after responding to a Request for Proposals sent to several professional service firms on the Engineering Department's list. However, the effort required by each firm is in excess of the $250,000 limit payable to each. William Nicholas Bodouva and Associates has submitted a proposal in the amount of $318,000 for costs associated with Contract NIA-110.027, and Louis Berger International, Inc. has submitted a proposal in the amount of $265,500 for costs associated with Contracts NIA-110.025 and NIA-110.026. Contract NIA-110.026 will provide for construction of court-yard areas and canopies, at both ends of Terminal C, to serve ground transportation facilities in conjunction with People Express' area C-1 and C-2 operations. To allow for project additions, changes, contingencies and continuity, it is recommended that the Board authorize payments up to $600,000 each to William Nicholas Bodouva and Associates and to Louis Berger International, Inc.

Also, in order to meet the "fast track" schedule for the departure facility building construction as well as to facilitate future maintenance, long lead elevator, escalator and baggage conveyor items must be pre-purchased and installed in coordination with the building contract. It is proposed that the purchase and installation of an elevator and five escalators be negotiated with the Montgomery Elevator Company of Moline, Illinois, and the purchase and installation of baggage conveyors be negotiated with Boeing Airport Equipment, Inc., the same sub-contractors who provided and installed these items for the international arrival facilities just completed under Contract NIA-110.021. Further, in order to meet the "fast track" schedule, other long lead time items must be identified and, if deemed necessary, pre-purchased and installed under Contracts NIA-110.025, NIA-110.026 and NIA-110.027. It is recommended that the Executive Director be authorized to negotiate and award all purchase orders and execute all agreements for construction or material deliveries under the aforementioned contracts, which may be necessary to meet the schedule.

It is anticipated that the $2.6 million increase in total estimated project costs will be partially funded by Federal aid in the amount of approximately $1.0 million.

It was therefore recommended that the Board authorize the following amendments to the authorization adopted by the Board, at its meeting on April 12, 1984, for a project described as "Newark International Airport - Terminal C - International Departures Facilities:"

1. an increase in preliminary estimated project cost from $15.0 million to $17.6 million, including administrative, engineering and financial expenses, to cover additional costs associated with "fast track" design and construction schedules not contemplated in the original authorization and the paving of an additional area to be used as an aircraft parking area;

(Board - 7/12/84)

2. an increase in the dollar authorization from $250,000 to $600,000 for payments to William Nicholas Bodouva and Associates for professional services in connection with a contract designated as Contract NIA-110.027 for the interior building construction portion of international departure facilities to be constructed in the westerly third (C-3 portion) of Terminal C; and an increase in the dollar authorization from $250,000 to $600,000 for payments to Louis Berger International, Inc. for professional services in connection with contracts designated as Contract NIA-110.025, for the construction of rampside apron and hardstand paving and utilities to serve international departures from the C-3 portion of Terminal C, the extension of Taxiway I and underground aviation fuel distribution mains to serve the remainder (C-1 and C-2 portions) of Terminal C to be developed by People Express Airlines, Inc., and Contract No. NIA-110.026 for the construction of courtyard areas and canopies at both ends of Terminal C required for ground transportation facilities in conjunction with People Express' operations in areas C-1 and C-2 – the total $350,000 proposed increase in payments to Louis Berger International, Inc. estimated to be allocated as $75,000 for work associated with international departure facilities in C-3 and $275,000 for work associated with People Express' development of the C-1 and C-2 portions of Terminal C respectively;

3. authorization for the Executive Director to award the aforementioned Contracts NIA-110.025, NIA-110.026 and NIA-110.027 to the lowest qualified bidders, based on bids received after public advertising, to meet the "fast track" schedules developed for these contracts; and

4. authorization for the Executive Director to negotiate and award contracts for the purchase and installation of an elevator and five escalators from the Montgomery Elevator Company of Moline, Illinois and baggage conveyors from Boeing Airport Equipment, Inc. of Dallas, Texas to be installed in Terminal C in conjunction with the international departure facilities project, and any other identifiable long lead time items, if deemed necessary, in connection with aforementioned Contracts NIA-110.025, NIA-110.026 and NIA-110.027.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board hereby authorizes the following amendments to the authorization adopted by the Board at its meeting on April 12, 1984 for a project described as "Newark International Airport - Terminal C - International Departures Facilities"

1. an increase in the preliminary estimated project cost from $15.0 million to $17.6 million, including administrative, engineering and financing expenses, to cover additional costs associated with "fast track" design and construction schedules not contemplated in the original authorization and the paving of an additional area to be used as an aircraft parking area;

2. an increase in the dollar authorization from $250,000 to $600,000 for payments to William Nicholas Bodouva and Associates for professional services in connection with a contract designated as Contract NIA-110.027 for the interior building construction portion of international departure facilities to be constructed in the westerly third (C-3 portion) of Terminal C; and an increase in the dollar authorization from $250,000 to $600,000 for payments to Louis Berger International, Inc. for professional services in connection with contracts designated as Contract NIA-110.025 for the construction of rampside apron and hardstand paving and utilities to service international departures from the C-3 portion of Terminal C, the extension of Taxiway I and underground aviation fuel distribution mains to serve the remainder (C-1 and C-2 portions) of Terminal C to be developed by People Express Airlines, Inc., and Contract NIA-110.026 for the construction of courtyard areas and canopies at both ends of Terminal C required for ground transportation facilities in conjunction with People Express operations in areas C-1 and C-2 - the total $350,000 proposed increase in payments to Louis Berger International, Inc. estimated to be allocated as $75,000 for work associated with international departure facilities in C-3 and $275,000 for work associated with People Express' development of the C-1 and C-2 portions of Terminal C respectively;

3. the Executive Director to award aforementioned Contracts NIA-110.025, NIA-110.026 and NIA-110.027 to the lowest qualified bidders, based on bids received after public advertising, to meet the "fast track" schedules developed for these contracts, the form of the contracts to be subject to the approval of General Counsel or his authorized representative; and

4. the Executive Director to negotiate and award contracts for the purchase and installation of an elevator and five escalators from the Montgomery Elevator Company of Moline, Illinois, and baggage conveyors from Boeing Airport Equipment, Inc. of Dallas, Texas, to be installed in Terminal C in conjunction with the international departure facilities project, and any other identifiable long lead time items if deemed necessary by the Executive Director in connection with aforementioned Contracts NIA-110.025, NIA-110.026 and NIA-110.027, the form of the contracts to be subject to the approval of General Counsel or his authorized representative; and it is further

RESOLVED, that the 1984 Budget be and it hereby is increased by $800,000 for expenditures in 1984 in connection with the said project.

(Board - 7/12/84)

All Airports - Noise Abatement Projects at Five Selected Schools

It was reported to the Board that the Board, at its meeting on August 11, 1983, authorized the soundproofing of four schools in the vicinity of Port Authority airports in the estimated amount of $1 million Federal and $250,000 Port Authority funds. At its meeting on April 12, 1984, the Board authorized an increase in expenditure comprised of Federal funding participation of up to $2 million and Port Authority participation of up to $500,000. Work at two of the schools will begin in late summer, to be followed by work at the third school later in the year. Soundproofing at the fourth school is scheduled to begin in the summer of 1985.

Staff deems it prudent to proceed with the soundproofing of five additional schools, at this time, to take advantage of available Federal funds in the current fiscal year. Accordingly, it is requested that the Board authorize agreements with the respective governing bodies for the following schools:

- Our Lady of Fatima School, Jackson Heights, New York, near LaGuardia Airport
- P.S. 181, Laurelton, New York, near Kennedy International Airport
- Lawrence School No. 5, Cedarhurst, New York, near Kennedy International Airport
- Hawkins Street School, Newark, New Jersey, near Newark International Airport
- Franklin School No. 13, Elizabeth, New Jersey, near Newark International Airport

With regard to Lawrence School No. 5 listed above, the Board of Education of Lawrence has asked the Port Authority to consider soundproofing Lawrence High School which is similarly noise impacted, rather than School No. 5, and this request is under consideration.

The proposed soundproofing work for these schools would be similar to that being done for the first four schools and it is estimated that the cost of such improvements, including engineering and administrative effort, will be approximately $2,650,000 based on preliminary Aviation Department estimates. Definitive estimates will be prepared during the design phase of the project. It has been proposed to the schools that they select and retain an architect to perform preliminary design and contract document preparation and that they award the construction contract. The New York City Board of Education has indicated that they will not follow this procedure, and it is anticipated that the Port Authority will prepare the design and award the construction contract.

Under the Airport and Airway Improvement Act of 1982, Federal funds are available at an 80% funding rate for soundproofing of schools and public health care facilities. The Port Authority will pay the 20% sponsor share with no cost to be paid by the schools. Accordingly, applications have been made for funding of the above work and grants should be received before the end of the current fiscal year, which expires September 30, 1984. The soundproofing project work will be sponsored by the Port Authority subject to the availability of Federal funds.

(Board - 7/12/84)

It was therefore recommended that the Board authorize the Executive Director to enter into agreements with the governing bodies of five selected schools in proximity to Port Authority operated airports to permit joint Port Authority-Federal Airport Improvement Program funding in the estimated amount of $2,120,000 Federal and $530,000 Port Authority funds for projects to reduce aircraft noise levels in these schools.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into agreements with the governing bodies of the following five selected schools in proximity to Port Authority operated airports to permit joint Port Authority-Federal Airport Improvement Program funding in the estimated amount of $2,120,000 Federal and $530,000 Port Authority funds for projects to reduce aircraft noise levels in these schools:

– Our Lady of Fatima School, Jackson Heights, New York, near LaGuardia Airport

– P.S. 181, Laurelton, New York, near Kennedy International Airport

– Lawrence School No. 5, Cedarhurst, New York, near Kennedy International Airport, or, in the alternative, a portion of Lawrence High School

– Hawkins Street School, Newark, New Jersey, near Newark International Airport

– Franklin School No. 13, Elizabeth, New Jersey, near Newark International Airport; and it is further

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

(Board - 7/12/84)

LaGuardia Airport - Agreements with Aircraft Manufacturers

It was reported to the Board that the Board, at its meeting on December 14, 1978 authorized the Executive Director to enter into an agreement with The Boeing Company which provided that Boeing would reimburse the Port Authority for certain work and services in connection with a determination of the effect of new Boeing aircraft on the LaGuardia Airport runway extension structures. The agreement specifically covered three Boeing aircraft: the B757, B767 and B777. Boeing postponed, indefinitely, the B777 program but proceeded with the B757 and B767. The Port Authority has provided such work and services in connection with the B757 and B767, for which the Port Authority has been reimbursed by Boeing, and the B757 and B767 aircraft are now operating at LaGuardia Airport.

Boeing now has the B737-300, a derivative of the B737, in the early stages of production. Boeing recognizes that Port Authority work and services similar to those performed for the B757 and B767 will be required to determine the effect of the B737-300 on the LaGuardia runway extension. Boeing has also indicated a desire that the Port Authority proceed with the engineering services for the B737-300 under the same terms and conditions as the original agreement for the B757, B767 and B777. Accordingly, it would be appropriate to enter into a supplemental agreement with The Boeing Company under which the original agreement would be amended to cover Port Authority work and services relating to the B737-300.

In addition to the aforementioned agreement with The Boeing Company, the Port Authority has previously entered into similar agreements with Airbus Industrie of North America, Inc. and the McDonnell Douglas Corporation, for the A-300 and DC-9 Super 80 (MD-80) aircraft, respectively. Other aircraft are now in various steps of development by all three of these major aircraft manufacturers and it is anticipated that Port Authority work and services will be requested, by the aircraft manufacturers, in order to determine the weight limitations and possible other restrictions that may be necessary to permit those future aircraft to operate at LaGuardia Airport.

In order to respond promptly to such requests for Port Authority work and services and to minimize the administrative burden, it is requested that the Executive Director be authorized to enter into such reimbursable agreements with aircraft manufacturers, as may be necessary to determine the acceptability of new aircraft or derivatives of existing aircraft for operation at LaGuardia Airport.

Under the terms of these proposed agreements, the Port Authority would be reimbursed for the cost of all such work and services, including appropriate factors for overheads and other costs, and the Port Authority would be indemnified and held harmless by the aircraft manufacturers from any liability to third persons resulting from the use of such aircraft that might result from the work and services provided by the Port Authority.

(Board - 7/12/84)

It was therefore recommended that the Board authorize the Executive Director to:

1. enter into a supplemental agreement with The Boeing Company which was authorized by the Board at its meeting on December 14, 1978; and

2. enter into reimbursable agreements with aircraft manufacturers for certain work and services, to be provided by the Port Authority, in connection with determinations as to the compatibility of new aircraft to operate on the runway and taxiway structures at LaGuardia Airport.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a supplemental agreement with The Boeing Company under which the Port Authority will perform certain work and services in connection with the proposed operation of the Boeing B737-300 aircraft at LaGuardia Airport under substantially the same terms and conditions as the agreement with The Boeing Company authorized by the Board at its meeting on December 14, 1978, and to enter into agreements with aircraft manufacturers as may be necessary to determine the acceptability of new aircraft or derivatives of existing aircraft for operation at LaGuardia Airport, under which the Port Authority would be reimbursed for the cost of such work and services, as defined, and the Port Authority would be indemnified and held harmless by the aircraft manufacturers from any liability to third persons resulting from the use of such aircraft that might result from the work and services provided by the Port Authority; the form of said agreements to be subject to the approval of General Counsel or his designated representative.

(Board - 7/12/84)

Port Authority Bus Terminal - Central Park Gourmet, Inc. - Lease LBT-477 - Supplement No. 1

It was reported to the Board that the Committee on Operations, at its meeting on January 13, 1983, authorized a 20-year lease with Central Park Gourmet, Inc., which submitted the successful proposal from among those solicited on a competitive basis, for the operation of a restaurant and liquor bar in the South Wing of the Port Authority Bus Terminal, at an annual basic rental of $155,000 against 20.211% of annual gross receipts, with subsequent escalation of the annual basic rental in the 5th, 10th and 15th years of the term. Pursuant to the terms of the lease, the premises were delivered to the tenant for construction and space preparation therein effective August 1, 1983 and payment of rental was thereby fixed to begin on January 28, 1984, or on such earlier date, following completion by the tenant of its space preparation work, on which public operations commenced in the premises.

Sometime after the start of construction work by the tenant, it was determined by the Port Authority that certain extensive structural changes in the design of the ceiling support systems would be required. This redesign caused a delay in construction as well as a substantial increase in the tenant's construction costs.

Tentative agreement has now been reached with the tenant, subject to the approval of the Board, to postpone the commencement date of the rental from January 28, 1984 to November 1, 1984. In addition, the Port Authority will reimburse the tenant a portion of its construction costs not to exceed $350,000. The tenant will make an additional monthly payment of $8,859 for five years starting one year after completion of construction and reimbursement by the Port Authority. If such reimbursement is less than $350,000, the tenant's monthly payment will be proportionately reduced.

The maximum payment to the tenant for its unamortized cost of improvements, in the event of termination by the Port Authority on 30 days' notice, will be increased from $400,000 to $500,000 from which will be deducted the reimbursement amount.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with Central Park Gourmet, Inc. amending its lease with the Port Authority to provide for:

1. postponement of the date payment of rentals would commence under the lease, to November 1, 1984; and

2. the reimbursement of a portion of the lessee's construction costs, in an amount not to exceed $350,000, with the lessee obligated to make an additional monthly payment of up to $8,859, to the Port Authority, to cover the payment of the actual reimbursement amount including 12½% interest over six years, such payments to start one year after completion of construction and reimbursement by the Port Authority.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement with Central Park Gourmet, Inc. amending its lease with the Port Authority to postpone the date payment of rentals would commence under the lease to November 1, 1984 and to increase the initial limitation on the costs for which the tenant would be reimbursed by the Port Authority in the event the letting is terminated by the Port Authority without cause to $500,000; the Port Authority to pay the tenant up to the sum of $350,000, towards the cost of construction, which will reduce the maximum amount due the tenant in the event the letting is terminated by the Port Authority without cause, the tenant to repay such amount over a five-year period commencing one year after completion of the construction and renovation work in the premises in equal monthly installments equivalent to an annual amount determined by multiplying the total Port Authority investment in such construction by an annual factor of .303737; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 7/12/84)

Elizabeth-Port Authority Marine Terminal - Acquisition of Portside Trailvan Terminal Property

It was reported to the Board that the PATH Board, at its meeting on July 12, 1984, authorized the settlement of two pending law suits against Consolidated Rail Corporation (ConRail). As part of that settlement, ConRail is to convey a 28-acre existing trailvan yard located adjacent to the Elizabeth-Port Authority Marine Terminal to the Port Authority. ConRail will continue to operate this yard under a rental agreement providing for an $87,500 annual payment to the Port Authority for a 15-year term with two 15-year option renewal terms, and will undertake grading, drainage, paving and track improvements thereto, subject to approval by the Port Authority, in an amount not to exceed $2.5 million.

Portside Yard is the dedicated international trailvan facility in the port area. ConRail provides excellent rail service with daily dedicated trailvan trains to and from midwest points. The intermodal yard is a key component in maintaining and increasing New York and New Jersey's share of the midwest container market. The physical condition of the yard has continued to interfere with its proper operation. Prior to the context of a court settlement, ConRail has been unwilling to make major investments necessary to assure continued reasonable service or expansion.

In addition to improved service, Port Authority ownership of the property and all improvements will assure the availability of the yard as an asset to the Port Authority in the event ConRail ceases to provide rail service or ceases to exist as a corporate entity.

It was therefore recommended that the Board authorize the Executive Director to:

1. accept, on behalf of the Port Authority, a conveyance from Consolidated Rail Corporation (ConRail) of title to real property upon which is located the ConRail Portside Trailvan Yard as part of a settlement of litigation between the Port Authority Trans-Hudson Corporation and ConRail; and

2. enter into a lease of said property to ConRail for 15 years at an annual rental of $87,500 with two optional 15-year renewal terms at the same rent.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to accept, on behalf of the Port Authority, a conveyance from Consolidated Rail Corporation (ConRail) of title to real property upon which is located the ConRail Portside Trailvan Yard as part of a settlement of litigation between the Port Authority Trans-Hudson Corporation and ConRail, and to enter into a lease of said property to ConRail for a term of 15 years at an annual rental of $87,500 with two optional 15-year renewal terms at the same rent; and it is further

RESOLVED, that all documents required to consummate the aforesaid transaction be subject to approval as to form by General Counsel of the Port Authority or his authorized representative.

(Board - 7/12/84)

Kennedy International Airport - Pan American World Airways, Inc. - New Hangar Leases

It was recalled that the Board, at its meeting on June 14, 1984, authorized the Executive Director for and on behalf of the Port Authority to enter into an agreement or agreements of lease with Pan American World Airways, Inc. covering Hangars 14, 16 and 17 and related ancillary buildings and site areas at Kennedy International Airport to be effective July 1, 1984 for a fixed two-year term and with Pan American to have an option for a two-year extension.

Pan American would be granted the right, subject to certain conditions, to enter into negotiations with the Port Authority for Pan American's continued occupancy of the site on which Hangars 14, 16 and 17 are located or a major portion thereof under a new lease (which at the discretion of the Port Authority may be entered into with a trust to be organized by Pan American and the Port Authority) in the event the Port Authority should, in its discretion, determine to continue to utilize substantial portions of the site in the future for occupancy or use by an airline or airlines. The new lease would be at rentals and on other terms to be agreed upon and in the event of continued use of the site as hangar space the new lease would be for a term of not less than 10 years and in the event of the use of the site as a new passenger terminal the new lease would be for a term of not less than 25 years. The new lease with Pan American would be subject to the approval of the Board.

If such new lease were not negotiated and executed by the parties by the later of the end of the said two-year extension period under the hangar leases or one year after the initial proposal, if any, by the Port Authority to Pan American, the Port Authority would have the right to terminate the negotiations and would have no further obligations to Pan American with respect thereto, except, that if agreement was reached with Pan American on all of the terms and provisions, except financial, and the form of a new lease, and if within no more than three years of the termination of said negotiations the Port Authority would be prepared to enter into a lease with another airline on financial terms and provisions which would yield to the Port Authority amounts less than the agreement offered by the Port Authority to Pan American covering substantially the same site for basically the same purpose as contained in the proposed Pan American lease, then Pan American would have a one-time right to enter into the said form of agreement negotiated with the Port Authority on the financial terms and provisions offered by the Port Authority to the other airline with appropriate changes in the commencement and expiration date.

Staff advised the Board at its June 14, 1984 meeting that negotiations were still in progress with Pan American on the terms and conditions of the foregoing arrangement and that not all of the terms had been accepted by Pan American. Negotiations with Pan American are being conducted in accord with the resolution adopted at the June 14, 1984 Board meeting except that the period during which Pan American shall have a right to negotiate and execute a new lease for the site in the event the Port Authority shall determine to continue to utilize all or a substantial portion of the site for occupancy or use by an airline or airlines shall expire on the later of the end of the two-year extension period under the hangar leases or 18 months after the initial proposal, if any, by the Port Authority to Pan American. In addition, the period during which Pan American shall have a one-time right to enter into the form of agreement negotiated with the Port Authority on the financial terms and provisions offered by the Port Authority to another airline or airlines as aforesaid shall expire five years from the termination of Pan American's negotiations with the Port Authority for the site.

Recommendation was made to the Board to authorize staff to execute leases with Pan American for Hangars 14, 16 and 17 at Kennedy International Airport with the changes in outside dates for negotiations and rights to match for the long-term use of the site by Pan American, as aforesaid, all of the foregoing on the terms and conditions approved by the Board in its June 14, 1984 meeting as herein amended.

Approved.

Whereupon, the meeting was adjourned.

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, August 9, 1984

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, August 9, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Robert F. Wagner, Vice-Chairman
Philip D. Kaltenbacher	James G. Hellmuth
William K. Hutchison	John G. McGoldrick
Henry F. Henderson, Jr.	

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel/Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Robert F. Bennett, Assistant Executive Director/Chief Financial Officer
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Assistant Executive Director/Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director/Director of Administration
Frank Garcia, Assistant Director, Economic Development Department
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
John Jacobson, Acting Assistant Treasurer
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Cornelius J. Lynch, Deputy Director of World Trade
Katharine B. MacKay, Assistant Executive Director/Director of State Relations
Rino M. Monti, Director of Engineering/Chief Engineer
Thomas R. O'Kane, Assistant Director of Personnel
Edward J. Reilly, Office Space Project Manager, General Services
Martin E. Robins, Director of Planning and Development
Robert Steiner, Deputy Port Director
Victor T. Strom, Director of Public Safety
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Director, Finance Department/Comptroller
Marvin Weiss, Director, Office of Minority Business Development
Thomas C. Young, Jr., Principal Information Officer, Public Affairs

The meeting was called to order by the Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meetings of June 14 and July 12, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey and that the time for action by the Governors of New York and New Jersey had expired.

The Secretary reported two corrections on page 286 of the June 14, 1984 Minutes. In paragraph two, line 21, the words "**within the latter to occur on 18 months**" should be replaced by "**within the later to occur of one year**" and at the end of line 27 and the beginning of line 28, the words "**no more than five**" should be replaced by "**prior to three**".

The Secretary then reported that the following paragraph should be added after the last paragraph on page 289 of the June 14, 1984 Minutes:

> The NEDC will provide funding for the construction of the pedestrian walkway and the parking garage which will be constructed by the Port Authority. The NEDC has requested, in its UDAG application, approximately $10.9 million to be used for the walkway and the garage.

The Secretary further reported that the Minutes of June 14, 1984 will be amended to include the Board's resolution on Minorities and Minority Business Enterprises - Policy Statement - Industrial Development and Waterfront Development Project Contracts - Other Contracts.

The Secretary further reported a correction on page 316 of the July 12, 1984 Minutes. In paragraph one, line five, the words "**as herein amended**" should be deleted.

Whereupon, the Board unanimously approved the Minutes, as amended.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on August 9, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on August 9, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on August 9, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on August 9, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Kennedy International Airport - Authority to Award a Contract to Airside Systems, Inc. for the Purchase of Eight New Elevating Mobile Airport Lounges

It was reported that the Board, at its meeting on November 12, 1970, authorized the Executive Director to negotiate and enter into an agreement with the Budd Company for the purchase of eight new elevating mobile airport lounges ("Plane Mates") to be used by the foreign flag airlines for the transport of airline passengers to and from hardstand apron gate positions located on the International Arrivals and Airline Wing Buildings ramp at Kennedy International Airport. These mobile lounges are now 13 years old and are in need of replacement. Two of these mobile lounges were completely rehabilitated and, after a test period, Aviation Department staff, in consultation with the foreign flag airlines, decided not to rehabilitate the rest of the fleet.

Extensive negotiations with the Wing Building lessees are substantially complete and it has been agreed that the old mobile lounges should be replaced with new units to accommodate the anticipated influx of passengers over the next 10 to 12 years. Staff is in the process of obtaining formal concurrence from the foreign flag airlines covering full reimbursement, including interest over a 10-year term, for the proposed acquisition of the eight mobile lounges.

An elevating airport mobile lounge is an air-conditioned bus that lifts to allow passengers to disembark at the door height of the aircraft and the second floor gates of the terminal building. It has a capacity of approximately 150 passengers. The vehicle can be elevated or lowered to adjust to all types of aircraft and affords complete weather protection to passengers.

A contract for the purchase of eight new units was publicly advertised and the following bids were received on June 28, 1984:

1. Airside Systems, Inc., Sharon Hill, Pennsylvania	$5,086,968
2. Trepel Airport Equipment, Duesseldorf, West Germany	$7,040,000
ESTIMATE:	**$6,400,000**

A proposal was also submitted by Sovam S.A., Parthenay, France, which was deemed non-responsive. Trepel also submitted an alternate proposal which would have extended the delivery time for the mobile lounges from 180 days to 270 days, but which does not meet the operating requirements of the airport.

The mobile lounges will be delivered at a rate of two per month starting in March, 1985, so that the new units will be available for the peak summer season in 1985.

(Board - 8/9/84)

It was therefore recommended that the Executive Director be authorized to enter into an agreement with Airside Systems, Inc. for the total amount for the purchase of eight new elevating mobile airport lounges to be used for the transport of airline passengers to and from hardstand apron gates on the International Arrivals and Airline Wing Buildings ramp at Kennedy International Airport for the total amount of $5,086,968 and to order extra work up to the amount of $500,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to enter into an agreement with Airside Systems, Inc. for the total amount for the purchase of eight new elevating mobile airport lounges to be used for the transport of airline passengers to and from hardstand apron gates on the International Arrivals and Airline Wing Buildings ramp at Kennedy International Airport in the total amount of $5,086,968, and to order extra work up to the amount of $500,000.

(Board - 8/9/84)

Kennedy International Airport - Environmental Improvement Program and Performance of Subsurface Oil Accumulation

It was reported that the Board, at its meeting on November 10, 1983, authorized a multi-faceted comprehensive program at LaGuardia, Kennedy International and Newark International Airports to achieve compliance with the Water Pollution Control laws at an estimated project cost of $6,728,000. This airport-wide program, which originated in 1970, has been and continues to be coordinated with the U.S. Coast Guard, U.S. Environmental Protection Agency, the New York State Department of Environmental Conservation and Transportation and the New Jersey Department of Environmental Protection. Port Authority staff, for its part, is involved in various stages of research, field surveys and design to prepare contract documents to accomplish the work which has been deemed Port Authority responsibility.

One element of this program involved a modification to the fuel tank sumping activities so as to prevent the infusion of fuel into the ground. When the November 10, 1983 authorization was obtained for the comprehensive program, it was hoped that the work on the closed sumping systems at Kennedy International Airport would be paid for by the airlines, and funds for doing this type of work were not included in the Board authorization. Allied had installed an enclosed sump system in the Bulk Fuel Farm in 1980 with the costs paid as part of the into-plane fueling rates paid to Allied, and the Port Authority anticipated having Allied install a similar system in the Satellite Tank Farm. At that time, in connection with many items in dispute with the airlines and Allied, an agreement was reached which provided that the into-plane fueling rates paid to Allied would include the costs of the sump system installed in the Bulk Fuel Farm, without prejudice to the airlines. In recently concluded discussions between the Port Authority and the Airlines Fueling Committee, the airlines could not be convinced to pay the cost of the closed sump system for the Satellite Tank Farm.

Under the terms of the basic airport lease with the airlines, the Port Authority receives a storage fee of 5½ mills for each gallon of aviation fuel delivered in the bulk and satellite storage facilities and the cost of the closed sumping system in the Satellite Tank Farm will be part of this storage fee. During 1983 the gross revenues derived from this source were approximately $6 million.

A closed sumping system for the Satellite Tank Farm has been designed by a qualified consultant for Allied and this design has been fully approved by Port Authority staff. Allied New York Services, Inc. has taken competitive bids from five contractors and a low bid of $498,000 has been received from Taggert Associates, Inc. This bid was due to expire at the end of April. Based upon discussions with Allied, the bid was extended until the end of May. To retain this price, it was necessary to request authorization from the Executive Director. This authorization was obtained on June 5, 1984 by Memorandum of Justification. Work was commenced in June and it will be completed in September of 1984.

(Board - 8/9/84)

Since the Port Authority is committed to implementing the Environmental Improvement Program at the earliest possible date and the completion of the closed sump system is an important part of the program, approval is requested to ratify the action of the Executive Director in authorizing reimbursement of Allied New York Services, Inc. for its construction and engineering costs for the work involved in this installation for the Satellite Tank Farm, at a total estimated cost of $533,000 which includes $498,000 for construction, $35,000 for engineering costs as well as any future construction and engineering costs, not to exceed $50,000, which may arise as a result of authorized change orders. An increase of the estimated project cost of the Water Pollution Control Program at LaGuardia, Kennedy International and Newark International Airports by $583,000 to $7,311,000 is also requested.

It was therefore recommended that the Board ratify the aforesaid action of the Executive Director and that the Board authorize the aforesaid increase in the estimated project cost of the Water Pollution Control Program, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board hereby ratifies the action of the Executive Director in authorizing the reimbursement to Allied New York Services, Inc. for its cost to construct a closed sumping system for the Satellite Tank Farm at Kennedy International Airport, at a total estimated cost of $533,000 which includes $498,000 for construction and $35,000 for engineering costs as well as any future construction and engineering costs, not to exceed $50,000, which may arise as a result of authorized change orders; and it is further

RESOLVED, that the Board hereby increases its November 10, 1983 project authorization for the Water Pollution Control Program at LaGuardia, Kennedy International and Newark International Airports by $583,000 to an estimated project cost of $7,311,000.

(Board - 8/9/84)

Newark International Airport - Additional Aircraft Overnight Parking East of Runway 4R-22L - Contract NIA-413 - Project Authorization and Contract Award

It was reported that with the continued phenomenal growth of air traffic at Newark International Airport, there is an immediate need for additional aircraft overnight parking.

Staff has examined all available pavement areas and has determined that space is being quickly exhausted. However, an area does exist east of Runway 4R-22L which has been judged adequate to accommodate as many as 11 B-737 and eight B-727 aircraft. Currently, portions of the area are being utilized on an emergency basis, but the pavement and lighting are inadequate for continued use.

It an effort to assure that the additional aircraft overnight parking area is available in 1984, an accelerated design and construction program has been developed. Contract NIA-413 provides for the removal of existing overnight aircraft parking pavement and the construction of new overnight aircraft parking pavement east of Runway 4R-22L, as well as pavement repairs, drainage, lighting and other associated work, all at Newark International Airport. The contract will be publicly advertised and bids are scheduled to be received on September 6, 1984.

It was therefore recommended that the Board authorize:

1. a project at Newark International Airport for construction of additional aircraft overnight parking areas east of Runway 4R-22L, the expenditure therefor presently being estimated at approximately $3,028,000; including $2.3 million for construction, $230,000 for extra work, and $498,000 for engineering, administrative and financing expenses;

2. the Executive Director, in his discretion, either to award Contract NIA-413 to the lowest bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable, and to order extra work up to the amount of $230,000, or to reject all bids; and

3. an increase of $2,530,000 in the 1984 Budget to provide for the project.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project at Newark International Airport for construction of additional aircraft overnight parking areas east of Runway 4R-22L, the expenditure therefor presently being estimated at approximately $3,028,000; including $2.3 million for construction, $230,000 for extra work, and $498,000 for engineering, administrative and financing expenses, is authorized; and it is further

(Board - 8/9/84)

RESOLVED, that the Executive Director, in his discretion, is authorized either to award Contract NIA-413 to the lowest bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable, and to order extra work up to the amount of $230,000, or to reject all bids; and it is further

RESOLVED, that an increase of $2,530,000 in the 1984 Budget is authorized to provide for the project.

(Board - 8/9/84)

Kennedy International Airport - International Arrivals Building - Ramp Paving - Contract JFK-462 - Award

It was reported that Contract JFK-462 provides for pavement repairs at the west section of the International Arrivals Building ramp, including repairs to taxiways, apron and service roadways, adjustments to in-pavement utilities, and furnishing and installation of concrete pads at aircraft hardstands.

A portion of the work under this contract is eligible for Federal funds under the Airport Improvement Program (AIP).

In conjunction with AIP, and in accordance with United States Department of Transportation regulations and the policy adopted by the Board at its meeting on August 27, 1980, the contract includes a provision requiring the bidder to use every good faith effort to meet the goal for Minority Business Enterprise participation of 10% for firms owned and controlled by minorities and of 1% for firms owned and controlled by women.

The contract was publicly advertised and on August 2, 1984, the following bids were received:

	Classified Work	Unclassified Work	Estimated Total Amount
Anthony Grace & Sons, Inc.	$1,425,100	$832,900	$2,258,000
Willets Point Contracting Corp.	1,957,700	371,402	2,329,102
Edenwald Contracting Co., Inc.	2,111,500	366,500	2,478,000
Yonkers Contracting Company, Inc.	1,852,500	672,750	2,525,250
ENGINEER'S ESTIMATE			$2,080,000

Anthony Grace & Sons, Inc. submitted the lowest bid and was determined by the Chief Engineer to be qualified to perform the contract.

It was therefore recommended that the Board authorize the Executive Director to award Contract JFK-462, Ramp Paving, International Arrivals Building, Kennedy International Airport, to Anthony Grace & Sons, Inc. in the total estimated amount of $2,258,000, and to order extra work up to the amount of $230,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to award Contract JFK-462, Ramp Paving, International Arrivals Building, Kennedy International Airport, to Anthony Grace & Sons, Inc. in the total estimated amount of $2,258,000, and to order extra work up to the amount of $230,000.

(Board - 8/9/84)

Newark International Airport - Operation of the Public Parking Lots - Contract Award to APCOA, Inc.

It was reported that the Board, at its meeting on November 9, 1978, authorized the award of a three-year contract commencing on February 1, 1979, with two one-year options by the Port Authority to extend, for the operation of the public parking lots at Newark International Airport to APCOA, Inc., the lowest qualified bidder. The contract which was extended for both years, and would have expired on January 31, 1984, was further extended, by authorization of the Board on December 8, 1983, for an additional period of eight months ending on September 30, 1984.

Bids to provide the proposed service were solicited for a new three-year contract to be effective on or about October 1, 1984 from parking lot operators and by public advertisement. Potential bidders were notified that they would have to meet certain prerequisites to qualify for awards, which generally consist of the following:

1. the bidder shall have had at least five years of experience in the actual operation of two or more parking lots;

2. the bidder shall have operated, for at least two years, at least one parking lot with a capacity of 1,500 vehicles;

3. the bidder shall have had at least two years of experience in the actual operation of a computerized public parking revenue control system;

4. the bidder, as of a date 90 days prior to the proposal date, employs no fewer than 500 full-time employees in the operation of parking lots; and

5. the bidder, during any one of its last two fiscal years preceding the proposal date, generated gross receipts from the operation of parking lots of not less than $10 million.

In addition to the preceding prerequisites, the bid proposals incorporated provisions regarding the acceptability of joint ventures as bidders.

Bids were solicited on the basis of: (a) estimated hours for cashiers, traffic attendants, lot checkers, terminal operators and clerks; (b) annual salaries for an estimated number of supervisory personnel and (c) a management fee which is the product resulting from application of the percentage figure bid by the contractor to the estimated total labor charges in (a) and (b) above.

The Port Authority retains the right to adjust schedules and add and delete personnel.

The solicitation required the bidder to quote prices for each year of the three-year contract based upon the aforesaid estimated hours, estimated number of supervisory personnel and the management fee. Additional payment to the contractor is provided to reimburse the contractor for the purchase of authorized materials, supplies and equipment and other expenses incurred by the contractor as specified in the contract. Two separate one-year extensions were

provided at the discretion of the Director of Aviation, and, for each extension year, the bid price for each labor category will be increased over the prior year by a percentage amount to be determined as set forth in the contract. The contractor will be required to make available to the Port Authority appropriate records for determining and certifying the above-mentioned percentage change. The management percentage figure for each extension year will be the figure inserted by the contractor for the third year of the contract and the management fee for each extension year will be the product obtained by applying such percentage figure to the contractor's total labor charges to the Port Authority. In addition, the contract provides that the contractor must pay employees in certain job classifications at least the wages and benefits specified in the contract.

The following bids were received on August 2, 1984:

Contractor	Total Three-Year Bid
APCOA, Inc.	$11,592,677
Kinney Parking, Inc.	12,489,576
Five Star Parking	12,495,702

The cost of operating the public parking facilities is recovered in the rates charged the public for the use of the facilities.

APCOA, Inc., the low bidder, is qualified to carry out the requirements of this contract.

It was therefore recommended that the Board authorize the award for the operation of the public parking lots at Newark International Airport to APCOA, Inc. of Cleveland, Ohio, for a three-year term effective on or about October 1, 1984 for a three-year estimated cost of $11,592,677, plus additional amounts for extra work that may be ordered at the discretion of the Director of Aviation and additional amounts to reimburse the contractor for the purchase of authorized materials, supplies, equipment and for other expenses incurred by the contractor, all as specified in the contract, with the Director of Aviation to have the right to extend the term for two additional periods of one year each, the contractor's bid price for labor for each year of the extension to be increased over the immediately preceding year of the extension to be the percentage figure (11.86%) bid by the contractor for the third year applied to the contractor's labor costs for each year of the extension; the contractor will be obligated to pay employees in certain job classifications at least the wages and benefits specified in the contract.

Whereupon, the following resolution was unanimously adopted:

WHEREAS, the Port Authority had invited bids for the awarding of a contract for the operation of the public parking lots at Newark International Airport; and

WHEREAS, bids for the aforesaid contract were submitted to the Port Authority and were publicly opened and then carefully compared and the qualifications of the bidders carefully investigated; and

WHEREAS, APCOA, Inc., the lowest qualified bidder, has submitted a bid for the performance of said contract in the total estimated amount of $11,592,677 and the Port Authority is satisfied that said bidder is qualified by reason of responsibility, experience and capacity to perform the contract if it be awarded to it and that the public interest will be best served by accepting the bid of said bidder;

NOW, THEREFORE, after due deliberation had, it is

RESOLVED, that the Board authorize the award for the operation of the public parking lots at Newark International Airport to APCOA, Inc. of Cleveland, Ohio, for a three-year term effective on or about October 1, 1984 for a three-year estimated cost of $11,592,677, plus additional amounts for extra work that may be ordered at the discretion of the Director of Aviation and additional amounts to reimburse the contractor for the purchase of authorized materials, supplies, equipment and for other expenses incurred by the contractor, all as specified in the contract, with the Director of Aviation to have the right to extend the term for two additional periods of one year each, the contractor's bid price for labor for each year of the extension to be increased over the immediately preceding year by a percentage amount to be as set forth in the contract, the management fee for each year of the extension to be the percentage figure (11.86%) bid by the contractor for the third year applied to the contractor's labor costs for each year of the extension; the contractor will be obligated to pay employees in certain job classifications at least the wages and benefits specified in the contract; and it is further

RESOLVED, that until the Executive Director shall give formal notice to the bidder accepting said bid, as provided in the bid papers, this resolution shall not be construed as acceptance of said bid; and it is further

RESOLVED, that upon acceptance of said bid, the Port Authority staff members designated by title in said contract to exercise certain powers and duties be and they hereby are authorized to exercise said powers and duties and to do all things required or permitted by said contract to be done by them.

(Board - 8/9/84)

Aviation Department - Retention of Professional Services on an As-Needed Basis

It was reported that the Aviation Department is developing major initiatives for the 1985-1989 capital plan that would require capital funds in excess of $1 billion. This amount would substantially exceed the 1979-83 actual amount of $222 million of capital investment in airport facilities. These major initiatives, listed in Attachment A, will be reviewed with the Board after the capital plan has been formalized. Meanwhile, it is important that the planning effort associated with these initiatives and other major initiatives which may be developed be pursued as soon as possible to assure the timely development of the overall program.

The estimated manpower requirements for the above planned services greatly exceed the presently authorized planning staff of the Aviation Department. Working overtime and delaying of non-critical work will be considered; however, substantial planning assistance will still be needed. Additionally, the use of services provided by other departments which might have the necessary expertise will be pursued; however, it appears that because of the current pressing overall workload such staff assistance will be very limited. Because of the relatively short-term duration of these intense planning efforts, it is deemed more practical to retain professional services and hire job shop personnel on an as-needed basis to handle this peak workload, rather than hiring a significant number of permanent staff. It is planned to provide some additional staff to assist in this effort and to coordinate and manage the activities of the consultants.

A list of the currently proposed consultant services with estimated costs anticipated within the general authorization herein requested is shown on Attachment B. This list of services and estimated costs would, of course, be subject to change, if needed to meet possible unanticipated changing conditions.

The planning consultant program discussed above would be structured similar to the Professional and Advisory Service Firm program authorized for the Engineering Department in accordance with Board authorization on December 8, 1983. The Director of Aviation would develop a representative list of qualified firms and solicit proposals from an appropriate number of them for each assignment. Qualified Minority/Women-owned firms will be included in the solicitations and the successful firm will be expected to make a good-faith effort to use Minority/Women-owned firms for subcontract work and other services, where appropriate. A review Board, including representatives from the Aviation, Management and Budget and Engineering Departments, would evaluate all proposals based on predefined criteria and recommend award. The Director of Aviation would make the final determination and enter into an appropriate agreement with the maximum compensation for any one study not to exceed $250,000. The Aviation Department is developing a computerized cost control system, which will include these consultant agreements as well as projects.

The expenditures for consultants for some of the areas for study listed in Attachment A are expected to exceed $250,000. Separate Board authorization for such expenditures over $250,000 per study will be requested, as appropriate.

(Board - 8/9/84)

It was therefore recommended that the Board authorize the Director of Aviation to retain various professional firms to undertake studies to assist staff in preparing conceptual and functional drawings and outline specifications for airport projects included in the planned capital program for 1985-1989 and performing other needed planning studies, at a maximum expenditure of $250,000 for each study and at an aggregate expenditure estimated at $2.5 million during the remainder of 1984 and all of 1985.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Director of Aviation is authorized to retain various professional firms to undertake studies to assist staff in preparing conceptual and functional drawings and outline specifications for airport projects included in the planned capital program for 1985-1989 and performing other needed planning studies at a maximum expenditure of $250,000 for each study and at an aggregate expenditure estimated at $2.5 million during the remainder of 1984 and all of 1985.

ATTACHMENT A

Major Initiatives Under Consideration for the 1985-1989 Capital Program

A. At Kennedy International Airport:

- Expansion of the International Arrivals Building
- Runway 4R-22L Approach Safety Area
- Expanded Road Capacity Within the Central Terminal Area
- Automated Passenger Distribution System and Transportation Center
- Automated Passenger Distribution System to JFK Express and Lots 8 and 9
- Air Cargo Fast Flow (Computerization and Documentation)
- Off-Airport Ground Access Improvements
- Revitalization of Springfield Gardens
- Expanded Terminal Facilities for Pan American

B. At LaGuardia Airport:

- Expansion and Improvements to the Central Terminal Building
- Runway 13-31 Approach Safety Area
- Bowery Bay Development
- Internal and External Road Improvements
- New Eastern/New York Air Terminal
- Off-Airport Ground Access Improvements
- Underground Aircraft Fuel System

C. At Newark International Airport:

- Completion of Terminal C for Domestic and Full International Operations
- Expanded Roadway Capacity within the Central Terminal Area
- Increased Auto Parking Facilities
- Automated Passenger Distribution System
- Automated Passenger Distribution System Connection with Penn Station, Newark
- Off-Airport Ground Access Improvements

ATTACHMENT B

Aviation Planning Professional Services Anticipated for
Remainder of 1984 and 1985
(Individual Services Not to Exceed $250,000 in Cost

Functional Planning	Estimated Cost
NIA - Consolidated Automotive Facility (Airline Vehicles)	100,000
Environmental	
KIA - Major Expansion of Pan Am Terminal	200,000
- Expansion of the International Arrivals Building	100,000
- Automated Passenger Distribution System and Roadway Improvements	250,000
LGA - New Terminal for Eastern Airlines/New York Air	75,000
- Bowery Bay Development	250,000
- Runway 13-31 Approach Safety Area	50,000
ALL AIRPORTS - Highway Access Improvements	200,000
Special Studies	
New York Downstate Heliport System Plan	150,000
Wall Street Heliport Master Plan	150,000
Development of Airport Landside Mathematical Model to Evaluate Capacity Constraints	200,000
LGA - Analysis of Airside Effects of a New Terminal	30,000
LGA - Analysis & Simulation of Taxiway "CC" as a Runway	25,000
LGA - High Density Study	60,000
KIA - Airside Capacity Analysis	100,000
NIA - Assistance to FAA in Airfield Simulation Study	25,000
NIA - Simulation of Proposed Airfield Improvements	150,000
Regional Airspace Capacity Analysis	150,000
ALL AIRPORTS - Development of Comprehensive Plan for Approach Safety Area for All Runways	100,000
TOTAL	$ 2,365,000
Say	$ 2,500,000

(Board - 8/9/84)

New Jersey Aviation Hall of Fame Film - History of Teterboro Airport

It was reported that Teterboro Airport is one of the busiest and most successful general aviation airports in the United States. While it currently handles aviation traffic primarily geared to private and corporate demands, it has a long and rich history of contributions to the aviation industry in the State of New Jersey and in the nation. This history includes nostalgic association with such pioneers of the aviation industry as Clarence Chamberlain, Charles Lindbergh, Admiral Richard Byrd and Amelia Earhart, as well as barnstormers and flying circuses and fame during the 1920's as the site of the largest air-frame factory in the United States. It is this history which is considered by staff as most desirable and appropriate to promote the New York-New Jersey region and for use in community relations and educational programs. Accordingly, authorization was received from the Executive Director to retain the professional advisory services of a widely respected film maker, Theo Kamecke, to undertake essential research services, prepare an overall film concept and provide scripts for film shooting and final narration. Total cost of these professional advisory services was not expected to exceed $10,000. In addition, it was anticipated that certain technical services, such as lighting and sound recording and film developing, editing and printing would be required from local film laboratories, and such services have been provided in an amount totaling $20,000.

To complement Mr. Kamecke's work, it was originally planned that Port Authority staff on the Radio-TV Film Unit would carry out many of the creative and coordinative aspects of producing the film. However, primarily because of the lack of available staff resources and a growing number of projects in the Radio-TV Film Unit, Mr. Kamecke's professional services were expanded to include creative functions such as director, field producer, supervising editor and cinematographer. These additional services resulted in increased costs over the $10,000 authorized for professional and advisory services, and now total $20,700.

Mr. Kamecke's research into the history of Teterboro Airport has uncovered a wealth of information on film, in photographs and through interviews which enrich the film and, in the opinion of staff, warrant expanding the film's concept for a wider audience. Teterboro Airport literally parallels the birth of flight in this country and its history traces the development of aviation in the New York-New Jersey region. It also dramatically illustrates the impact an airport has on the regional economy. Thus, the film, in addition to being shown as a continuing featured exhibit at the Hall of Fame, will also be made available to universities, public libraries, aviation schools and clubs and may very possibly receive television exposure. In order to continue work on the film and complete it this fall, additional expenditures totaling $45,000 will be required, bringing the total expenditure in connection with the film to approximately $86,000.

These additional expenditures will cover the continued professional services to be provided by Mr. Kamecke, technical film services such as the synchronization of the sound track to the film, final editing and developing services, purchase of historical film footage from the National Archives and other film libraries, and the donation by the Port Authority of appropriate projection equipment to the Aviation Hall of Fame and Museum so that the film may become part of their permanent exhibit.

Theo Kamecke has impressive credentials as a film maker. His background includes work on several motion pictures made by the prestigious producer, Francis Thompson, including "TO FLY" and "LIVING PLANET", both of which have been shown over a long period at the Smithsonian Institute, and "TO BE ALIVE", winner of an Academy Award. Mr. Kamecke was the director, principal cinematographer and script writer for the recent travel promotion film produced for the Port Authority, "NY-NJ USA".

The Aviation Hall of Fame and Museum records the history of Teterboro Airport and this region's aviation industry from its infancy in the early years of the 20th century to the present. It is the only such museum in the region and is visited annually by 16,000 patrons. Having the Port Authority participate in and fund this promotional film is considered most appropriate and consistent with other similar activities designed to promote the region and its benefits.

Total cost for the film, which will be approximately 30 minutes in length, including the amount previously authorized, will be approximately $86,000, an amount that is consistent with the costs associated with other films developed for regional promotional purposes such as "GATEWAY AMERICA", "NEW YORK" and "NY-NJ USA".

It was therefore recommended that the Board authorize an expenditure of $45,000, for professional and technical advisory services required to complete technical production of a film on the historic contribution to the aviation industry made by Teterboro Airport, and for a donation of appropriate projection equipment to the Aviation Hall of Fame and Museum in order to make the film a part of the Museum's permanent exhibit, bringing the total estimated expenditure in connection with the film to $86,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that an expenditure of $45,000 is authorized, for professional and technical advisory services required to complete technical production of a film on the historic contributions to the aviation industry made by Teterboro Airport and for a donation of appropriate projection equipment to the Aviation Hall of Fame and Museum in order to make the film part of the Museum's permanent exhibit, bringing the total estimated expenditure in connection with the film to $86,000.

(Board - 8/9/84)

Elizabeth-Port Authority Marine Terminal - Building 1210 - Amendment to Lease with Sea-Land Service Inc.

It was reported that the Board, at its meeting on March 11, 1982, authorized a lease with Sea-Land Service Inc. for Building 1210, with a term expiring December 31, 2001. The lease agreement provides for reimbursement to Sea-Land for improvements to the building and rental for construction funds advanced based on a minimum of $4,950,000, whether or not committed by December 31, 1984. Under the terms of the proposed amendment, Sea-Land will be committed to a new minimum of $7 million, whether or not committed by December 31, 1984, and additional construction rental based upon a minimum of $1 million, whether or not expended by December 31, 1985. Nevertheless, Sea-Land will be permitted to complete construction by June 30, 1986, up to an additional expenditure of $2 million, for a new total maximum of $9 million. Annual rental for the additional construction funds reimbursed shall be as follows:

– January 1, 1986 - December 31, 1991 – 14.34% of 105% of the additional amount reimbursed.

– January 1, 1992 - December 31, 1996 – 15.06% of 105% of the additional amount reimbursed.

– January 1, 1997 - December 31, 2001 – 15.81% of 105% of the additional amount reimbursed.

As before, Sea-Land shall continue to have the right to terminate the lease on January 1, 1992 and each anniversary thereafter upon one-year prior notice. In such event, Sea-Land shall be required to pay a lump sum to amortize the Port Authority's investment.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement with Sea-Land Service Inc. at the Elizabeth-Port Authority Marine Terminal, upon the terms and conditions as outlined above.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an amendment to the lease with Sea-Land Service Inc. for Office Building 1210 at the Elizabeth-Port Authority Marine Terminal, to provide for an increase in the reimbursement of building improvements not to exceed $2 million, and repayment by Sea-Land over a 16-year term for 105% of the amount reimbursed but not less than $1 million at a time-value average factor of 14.74% per year; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 8/9/84)

Port Newark - Building No. 125 - Hudson Refrigerating Company - Lease Amendment

It was reported that since 1965, Hudson Refrigerating Company has been operating the refrigerated warehouse at Building 125 at Port Newark, for meat imports to the Port of New York/New Jersey. Over the last several years, Hudson has experienced serious difficulties meeting its rental obligations because its primary storage product, imported meat, has largely located to Philadelphia.

In an effort to retain the facility at Port Newark, develop new accounts requiring refrigeration, such as imported fish products, and to reattract imported meat to the port, it is recommended that Hudson be given assistance in settling the arrearages which will amount to approximately $1,230,000 as of September 1, 1984.

Under the proposed agreement, Hudson shall be allowed a three-year recovery period during which it shall pay 44% of gross revenues, as defined in the agreement, in excess of $1,440,000 per year, with a minimum of $200,000 per year and the maximum being the annual basic of approximately $480,000 and annual percentage rent presently at approximately $70,000. Any shortfall between the actual basic and percentage rent and the amounts payable during the recovery period shall be added to the total arrearage without interest. At the end of the three-year period, Hudson shall commence payment of the basic and percentage rental as currently provided in the lease. The repayment of the arrearages would commence at the end of the three-year period, to be payable over the remaining lease term in equal annual payments. In addition, Hudson will increase its arrearage payments in every year that its gross revenues exceed $3.8 million by at least $100,000, in an amount equal to 15% of the annual arrearage payment for each $100,000 of gross revenues.

Should Hudson's projected growth materialize, the arrearages could be extinguished in 11, rather than 18, years under this accelerated formula as indicated below.

ARREARAGE PAYMENTS

Year	Gross Revenues (in millions $)	1/18 Arrears	15% Acceleration	Arrearage Payments	Arrearage Balance
est. 9/1/84					$1,230,000
87 - 88	$4.0	$68,333	$ 20,500 =	88,833	$1,141,167
88 - 89	4.2	68,333	41,000 =	109,333	1,031,834
89 - 90	4.5	68,333	71,750 =	140,083	891,751
90 - 91	4.7	68,333	92,250 =	160,583	731,168
91 - 92	4.9	68,333	112,750 =	181,083	550,085
92 - 93	5.2	68,333	143,500 =	211,833	338,252
93 - 94	5.4	68,333	164,000 =	232,333	105,919
94 - 95	5.7	68,333	37,586 =	105,919	-0-

During the recovery period, there would be appropriate expenditure controls in the agreement.

Hudson shall also receive a rental credit, against the amount payable during the three-year recovery period and only during this period, of $50 per full container of frozen meat received and stored at Building 125, up to a maximum of $75,000 per year. If this credit is utilized, the Port Authority is prepared to negotiate an extension, without any binding commitment to do so. Building 126 will also be included, in Hudson's leasehold as is, with maintenance to be the obligation of Hudson, at no additional rent, for the inspection of imported meat, during the three-year recovery period. If in use for this purpose at the end of the three years, the Port Authority is prepared to negotiate rental rates for the inclusion of the building in the leasehold for the approximately 18 remaining years of the lease, without any binding commitment to do so.

In order to achieve greater space utilization and to accommodate other products, such as seafood, new racks were installed in Building 125. Under the proposed amendment, the Port Authority will purchase the racks at an approximate cost of $285,000, with reimbursement by Hudson of Port Authority costs, over the remaining lease term at the Port Authority's hurdle rate at the time of its investment by making additional monthly rental payments; the presence or absence of this feature of the agreement not to determine the effectuation of the arrangement herein set forth.

The plan recovers the rental delinquency of approximately $1,230,000 over the remainder of the lease term after the recovery period with a possibility that the arrears will be recovered earlier. The Port Department believes this is the best arrangement they could structure, under the circumstances.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement with Hudson Refrigerating Company at Port Newark upon terms and conditions outlined above.

Whereupon, the following resolution was unanimously adopted, Chairman Sagner abstaining:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an amendment of the lease with Hudson Refrigerating Company for Building 125 at Port Newark which would provide for:

1. a three-year recovery period, commencing September 1, 1984, during which Hudson shall be obligated to pay 44% of gross revenues, as defined, in excess of $1,440,000 per year, with a minimum of $200,000 per year, against a maximum of the annual basic rent of approximately $480,000 and the annual percentage rent of approximately $70,000 at present. At the end of the recovery period, Hudson would start paying basic and percentage rent as provided under the lease terms, except Hudson will commence paying rent sooner according to the lease terms, if in any 12 consecutive month period gross revenues exceed $3 million;

2. all rent arrearages, which will total approximately $1,230,000 as of September 1, 1984, and any arrearages that may result from the recovery period shall be repaid in equal annual payments over the remaining approximately 18 years of the lease commencing at the end of the three-year recovery period;

3. arrearage payments shall be accelerated based upon Hudson's projected growth in gross revenues. Under the formula, Hudson would increase the annual arrearage payments in each year in which annual gross revenues of $3.8 million are exceeded by $100,000 in the amount of 15% of the annual payments for each $100,000 increase;

4. Building 126 shall be included, as is, with maintenance to be the obligation of Hudson, in Hudson's leasehold for meat inspection only, at no additional rent during the three-year recovery period. If in use for this purpose at the end of the three years, the Port Authority is prepared to negotiate rental rates for its inclusion in the leasehold for the remaining approximately 18 years of the lease, without any binding commitment to do so;

5. Hudson shall be given a rental credit, against the amount payable during the three-year recovery period and only during this period, of $50 per full container of frozen meat received and stored at Building 125, up to a maximum of $75,000 per year. If this credit is utilized, the Port Authority is prepared to negotiate an extension, without any binding commitment to do so;

6. the purchase, if feasible, by the Port Authority of racks, presently installed at Building 125, at an approximate cost of $285,000 with reimbursement by Hudson in additional monthly rental installments covering Port Authority costs over the remaining lease term at the Port Authority's hurdle rate at the time of its investment; the presence or absence of this feature of the agreement not to determine the effectuation of the arrangement herein set forth; and

7. controls over the expenditures by Hudson would be imposed during the recovery period;

the form of the agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 8/9/84)

General Services Department - Leasing and Rehabilitation of Space at Jersey Plaza Building for Occupancy by Port Authority Engineering, Supply and Automotive Maintenance Units

It was reported that there are a number of Port Authority operating and field units with approximately 215 staff members, based in New Jersey, that require relocation from their present facilities. These include an engineering maintenance unit, currently occupying rented space in Hoboken, whose unrenewable lease will expire in March 1985, and other engineering laboratory and field functions, currently located at the Port Authority Hoboken Piers, which must move due to the anticipated start of construction for the Hoboken Waterfront Development Project in 1985. The proposed lease agreement for the Jersey Plaza Building will also permit the logical relocation of another laboratory and staff from the Journal Square Transportation Center, as well as a 15-person radio and electronics shop now located at LaGuardia Airport. Lastly, because of the proximity of the Jersey Plaza Building to the Holland Tunnel, the proposed agreement will also permit that facility's inadequate and substandard stockroom and automotive maintenance garages to be relocated. This will result in increased flexibility and substantial service and productivity improvements because separate stockroom and maintenance facilities will now be merged. Thus, in total, approximately 230 staff members will be relocated.

Negotiations have proceeded with the owners of the Jersey Plaza Building and general terms of the proposed lease have been agreed to for an estimated 152,000 rentable square feet of space, of which 144,000 square feet are usable and approximately 8,000 square feet are for the Port Authority's proportional share of equipment rooms and common areas. The agreement would cover 15 years plus Port Authority options for two 10-year extensions, for a maximum lease period of 35 years, at the basic annual rate of $7.30 per square foot, which shall be subject to escalation after each five-year period of the leasehold based on a factor of 50% of the increase in the Consumers Prices Index (CPI) for the New York/Northeast New Jersey metropolitan area for all wage earners during the previous five-year term of the lease, with increases limited to not more than 12½%, or 50% of the CPI, whichever is less. Further, the proposed agreement includes additional annual charges of $.91 per square foot for prorated tax payments that the owner will make and an estimated $2.00 per square foot for utilities. Both of these charges are subject to increases during the term based on the owner's actual increases in costs for these services. The lease would include Port Authority option to buy the building during the term of the lease, with a right of first refusal on the sale of the building, and options to lease additional space. Additional Board approval will be sought before these rights are exercised.

As part of the agreement, the owners will provide, at their own expense, an additional 9,155 square feet of space by creating a mezzanine in a section of the building with a 28-foot high ceiling. This additional space will be held vacant to accommodate future Port Authority expansion. At the option of the Port Authority, staff will occupy this additional space by providing a one-time reimbursement to the owner for the cost of construction, estimated at $26 per square foot or $238,000. There will be no further basic rental for the additional expansion space. The owner is also responsible for maintenance and repair of the building while the Port Authority will be responsible for cleaning and janitorial service for the space it will occupy.

The Jersey Plaza Building is a block square, three story industrial structure containing a total of approximately 300,000 square feet, of which the Port Authority will lease about one-half or 152,000 square feet. The remaining area is presently rented to other tenants. A most important consideration in identifying this particular building is its proximity to the Holland Tunnel, only three blocks from the Tunnel's Administration Building, which will allow for the convenient relocation of that facility's inadequate stockroom and automotive maintenance and repair garage. In addition, the building is well constructed, has been maintained well by its owners, is in good physical shape and has a pleasing appearance.

Under the proposed lease agreement, the owners, of the Jersey Plaza Building, at their own expense, will acquire parking facilities, which when added to existing parking capability, will provide to the Port Authority at least 330 spaces. These parking spaces will be available for use by the operating units housed in the building, for facility vehicles such as tow trucks, snow plows, and other heavy vehicles, as well as for employee parking. To make the site easily accessible to mass transit commuters and for trips to and from the World Trade Center, the owners, also at their expense, will provide a free shuttle bus service to the Hoboken PATH station for Port Authority employees.

Staff are now preparing functional specifications, preliminary designs and work area layouts in connection with the modification of the proposed space so that it meets Port Authority standards. A New Jersey based minority professional engineering service firm has been retained to assist staff with these estimates. Trends Urban Renewal Association Limited will provide all engineering services, including final design and construction, to carry out needed modifications. These include improvements the Port Authority requires to utility support systems such as electricity, plumbing, heating, ventilation and air conditioning system, lighting and sprinklers. A special drainage system for the laboratories will also be provided. In addition, the owner will erect necessary walls, construct special overhead door entrances for heavy vehicles and install special automotive equipment such as lifts and hoists. Total combined estimated costs of these modifications is $5.1 million.

Having the owner undertake these services is advantageous because of their thorough familiarity with all building components and systems. Further they are very experienced in this field, having constructed more than $60 million worth of building space in northern New Jersey.

To carry out this relocation, the services of a professional moving firm capable of accommodating the move of specialized laboratory and other equipment will be required. In addition, the purchase of storage equipment, office furnishings and the provision of telephone services are also needed. Total estimated costs for these items is $1,520,000.

It is expected that the proposed space will be available for occupancy by February 1985.

It was therefore recommended that the Board authorize the Executive Director to:

1. execute a lease agreement with Trends Urban Renewal Association Limited for approximately 152,000 rentable square feet of space in the Jersey Plaza Building, 241 Erie Street, Jersey City, New Jersey, for a period of 15 years, with an option for two 10-year extensions, for occupancy by various Port Authority construction, maintenance, and automotive repair shops, laboratories and stockrooms and other field related activities, at a basic annual rate of $7.30 per square foot, subject to escalation after each five-year period based on a factor of 50% of the increase in the Consumer Price Index (CPI) for the New York/Northeast New Jersey metropolitan area for all wage earners during the previous five-year term of the lease, with increases limited to

not more than 12½%, or 50% of the CPI, whichever is less, plus additional annual charges initially set at $.91 per square foot for utilities, bringing total first year costs to $1,551,920; further, at the Port Authority's option, an additional 9,155 square feet of space will be available for future expansion purposes upon payment of a one-time construction cost of $238,000 and without further basic rental;

2. enter into contract with the owner or with contractors to provide for the modification of the rented areas to meet the specialized technical and mechanical needs of these relocated units and make them suitable for occupancy, at an estimated cost of approximately $1.4 million for the construction of a consolidated automotive facility including the installation of specialized automotive equipment, and $3.7 million for the preparation of work areas and parking facilities, and changes to utility systems, including extra work allowances and administrative, engineering and financial costs; and

3. incur expenses of approximately $1,520,000 for moving and relocation services, the purchase of storage equipment and office furnishings, and the provision of telephone services.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into a lease agreement with Trends Urban Renewal Association Limited for approximately 152,000 rentable square feet of space in the Jersey Plaza Building, Jersey City, New Jersey, for a period of 15 years, with an option for two 10-year extensions, for occupancy by various Port Authority construction, maintenance, and automotive repair shops, laboratories and stockrooms and other field related activities, at a basic annual rate of $7.30 per square foot, subject to escalation after each five-year period based on a factor of 50% of the increase in the Consumer Price Index (CPI) for the New York/Northeast New Jersey metropolitan area for all wage earners during the previous five-year term of the lease, with increases limited to not more than 12½%, or 50% of the CPI, whichever is less, plus additional annual charges initially set at $.91 per square foot for tax payments which the owner will make, and an estimated $2.00 per square foot for utilities, bringing total first year costs to $1,551,920; further, at the Port Authority's option, an additional 9,155 square feet of space will be available for future expansion purposes upon payment of a one-time construction cost of $238,000 and without further basic rental; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to enter into contracts with the owner or with contractors to provide for the modification of the rented areas to meet the specialized technical and mechanical needs of these relocated units and make them suitable for occupany, at an estimated cost of approximately $1.4 million for the construction of a consolidated automotive facility including the installation of specialized automotive equipment, and $3.7 million for the preparation of work areas and parking facilities, and changes to utility systems, including extra work allowances and administrative, engineering and financial costs; and to incur expenses of approximately $1,520,000 for moving and relocation services, the purchase of storage equipment and office furnishings and the provision of telephone services; and it is further

RESOLVED, that the lease agreement and all other documents required to consummate the aforesaid transaction be subject to approval by General Counsel or his designated representative.

Holland Tunnel - Ceiling Replacement - Pre-Purchase of Tile - Award

It was reported that the removal of the Holland Tunnel ceiling is presently being performed under Contract HT-110.019 and is scheduled for completion in December 1984. The replacement of the Holland Tunnel ceiling and installation of tiles will be accomplished under Contract HT-110.022, Holland Tunnel, Ceiling Replacement, Phase II, for which bids are scheduled to be received in December 1984.

Bids are scheduled to be received in September of 1984 on a contract for the pre-purchase of ceiling and wall tiles to be installed under Contract HT-110.022. Bidders will be solicited by public advertisement to prequalify on the tile pre-purchase contract. Award will be made only upon the submission of satisfactory samples conforming to the technical specifications. Board authorization of the award is being requested at this time since it is anticipated that it will take approximately four to six months to obtain the tiles. This pre-purchase of tiles will minimize any delay between completion of the ceiling removal and the start of the ceiling replacement and facilitate completion of the entire project at the earliest possible date.

This purchase order is part of a project for which project authorization is anticipated to be sought from the Board at a future meeting.

It was therefore recommended that the Board authorize the Executive Director, in his discretion, either to award a publicly advertised contract for the purchase of ceiling and wall tiles for use in the replacement of the Holland Tunnel ceiling under Contract HT-110.022 - Holland Tunnel, Ceiling Replacement, Phase II, to the lowest bidder, prequalified to perform the contract who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable, and whose sample tile demonstrates the capability to meet the technical specifications, or to reject all bids.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized, in his discretion, either to award a publicly advertised contract for the purchase of ceiling and wall tiles for use in the replacement of the Holland Tunnel ceiling under Contract HT-110.002, Holland Tunnel, Ceiling Replacement, Phase II, to the lowest bidder, prequalified to perform the contract who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable, and whose sample tile demonstrates the capability to meet the technical specifications, or to reject all bids.

(Board - 8/9/84)

WTC-ISS Prudential Maintenance Systems, Inc. - Settlement of Claim

It was reported that as the low qualified bidder, Prudential Building Maintenance Systems Corp. was awarded a three-year contract to perform cleaning service for The World Trade Center commencing January 1, 1981 for an estimated total of $39,263,829.12. The bid was based on a weighted hourly wage rate provided by the bidder and a production rate tied to the building square footage needing cleaning as provided by the Port Authority.

Early into the contract, in order to accommodate the Port Authority's "Lights Out" Program and based on a survey of building square footage, the Port Authority gave Prudential a specific manpower schedule to follow. This schedule required more hours than were contemplated under the production rates in the contract. Prudential performed the work, paid the labor and materials costs. It billed the Port Authority but was not paid.

Prudential sued the Port Authority in Supreme Court, New York County, (Index Nos. 92297/1983 and 92298/1983) for a total of $6,374,559.91, for work performed from January 1, 1981-June 30, 1983. The claim included challenges to Port Authority approved weighted hourly rate increases on insurance and "bench fringes" and a claim for the reasonable value of the services.

Subsequent to the commencement of the suits, two types of billing/payment errors were uncovered by the Port Authority – one involving a computer programming error, the other, a mutual mistake as to the categories into which bills could be classified so as to allow payment for work performed. Based on these errors, together with the value of the increased hours required by the Port Authority mandated schedule and with consideration being given to rate adjustment claims, plus interest, the Board approved a settlement of $2.2 million. This settlement included a release for any claims for square footage disagreements (up to 70 hours per day or $115,778.25) for the six months remaining under the contract as well as all equity claims and challenges to the Port Authority approved rate increase, other than comparatively minor items related to the insurance and bench increase components.

On May 22, 1984, Prudential brought an action in Supreme Court, New York County, covering the last six months of the three-year contract. This suit includes claims for $406,213 for work performed and invoices not paid; $344,946 for insurance costs not allowed in the approved hourly rate; $50,492 for the increase in fringe benefit costs paid to "bench" personnel not allowed in approved hourly rate; and a square footage claim of $268,899 (included within the invoice claim) above the amount previously settled (see above). The billing errors and square footage problems referred to in the settlement of the first two lawsuits continued into the last six months of the contract. The World Trade staff considers $313,747 a fair payment for work actually performed within the terms of the contract. Interest at 6% as required by the contract for nine months totals $14,119.

Prudential has advised that the Port Authority paid $46,467.33 in error for work covered by the settlement of the first two claims. Prudential has agreed to withdraw all of its claims – the claim of $50,492 for denial of "bench fringe" hourly rate increase claim; the claim of $344,946 for denial of the insurance hourly rate increase the right to amend the complaint to add an "account stated" cause of action or any other cause of action; and the invoice cause of action (including the square footage cause of action) in exchange for the retention of any Port Authority payment errors and $327,866.

It was therefore recommended that the Board authorize the Executive Director to pay ISS Prudential Maintenance Systems, Inc., $327,866 and release any claim against Prudential for contract overpayment in full satisfaction of all claims asserted for work from July 1, 1983 through December 31, 1983 pursuant to Contract WTC-199.60, The World Trade Center Building Cleaning Service Contract reflected in a lawsuit brought in Supreme Court, New York County, (dated May 22, 1984) as fair consideration for services rendered and consideration for the risks and the considerable cost of litigating this type of claim, and an increase of $328,000 in the 1984 Budget to provide for the cost of the above settlement.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Executive Director to pay ISS Prudential Maintenance Systems, Inc., $327,866 and release any claim against Prudential for contract overpayment in full satisfaction of all claims asserted for work from July 1, 1983 through December 31, 1983 pursuant to Contract WTC-199.60, The World Trade Center Building Cleaning Service Contract reflected in a lawsuit brought in Supreme Court, New York County, (dated May 22, 1984), and an increase of $328,000 in the 1984 Budget to provide for the cost of the above settlement.

Whereupon, the meeting was adjourned.

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Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, September 13, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Robert V. Van Fossan	Robert F. Wagner, Acting Chairman
William K. Hutchison	Lewis L. Glucksman
Henry F. Henderson, Jr.	John G. McGoldrick
	Howard Schulman

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel/Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Robert F. Bennett, Assistant Executive Director/Chief Financial Officer
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Assistant Executive Director/Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director/Director of Administration
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
James J. Kelly, Acting Assistant Director, Office of Management Information Services
Philip LaRocco, Director, Economic Development Department
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Katharine B. MacKay, Assistant Executive Director/Director of State Relations
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Assistant Chief Financial Officer
Rino M. Monti, Director of Engineering/Chief Engineer
Edward J. O'Malley, Director of Personnel
Martin E. Robins, Director of Planning and Development
Victor T. Strom, Director of Public Safety
Anthony J. Tozzoli, Port Director
Guy F. Tozzoli, Director of World Trade
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Director, Finance Department/Comptroller
Marvin Weiss, Director, Office of Minority Business Development
Marshal L. Wilcox, Jr., Treasurer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs

The meeting was called to order by the Acting Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of August 9, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey and that the time for action by the Governors of New York and New Jersey had expired.

The Secretary further reported that on page 324 of the August 9, 1984 Minutes in paragraph 3, line 3, the words **"overnight aircraft parking"** should be deleted. She further reported that on page 343, paragraph 2, line 1, **"September"** should read **"November"**.

Whereupon, the Board unanimously approved the Minutes, as amended.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on September 13, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on September 13, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on September 13, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on September 13, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

(Board - 9/13/84)

Kennedy International Airport - Purchase of 20 10,000-Gallon Tractor/Trailer Refuelers Plus Two Spare Tractors from Garsite Products, Inc. and Lease to Allied New York Services, Inc.

It was reported that the Basic Airline Leases at Kennedy International Airport ("Dewey Leases") obligate the Port Authority to provide a fuel storage capacity and a system for the receipt, storage and distribution of aviation fuel. Under the terms of the Dewey Leases, the Port Authority may elect to operate the system itself or may select an independent contractor. The Dewey Lessees have the right to select their own independent contractor in the event the Port Authority elects not to designate a contractor, or in the event the Dewey Leseees object to the rates charged by the Port Authority's contractor and such objection is upheld in arbitration. Since 1953, Allied New York Services, Inc. has operated the receipt, storage and distribution system at the airport pursuant to an operating agreement with the Port Authority. This agreement has been extended from year to year as Allied, the Port Authority and the airlines reach agreement on the new into-plane fuel charges for each year, and the agreement has recently been extended to December 31, 1984.

Most of the fuel dispensed into aircraft at Kennedy International Airport is dispensed through the underground fueling system which serves the major passenger terminals in the Central Terminal Area. There is still a sizeable requirement for truck fueling, however, and a fleet of fuel trucks is still in service primarily to serve the large number of all cargo aircraft which go directly to the airline cargo facilities and also to fuel aircraft at remote gate positions and hangar locations. These vehicles were purchased by the Port Authority as required and pursuant to appropriate supplements to the operating agreement the same were leased to the fueling contractor, who then assumed full responsibility for their operation and maintenance.

It has now been decided to retire 35 of the older, fully-amortized vehicles which are 18-22 years old in view of the high cost of operation and maintenance and to replace them with 20 new vehicles of the same capacity. Each of the 20 units will consist of a tractor and tanker, and an additional two tractors will also be purchased to afford greater flexibility in the use of tankers during periods of tractor maintenance.

Bids for the 20 10,000-gallon capacity tractor/tanker units and the two additional tractors were solicited by public advertisement. On August 1, 1984, the following bids were received:

Vendor	Bid Price
Garsite Products, Inc., Deer Park, New York	$4,249,555
Hutchinson Industries, Ontario, Canada	4,336,207
Remtec, Inc., Quebec, Canada	4,400,000
Hobart Brothers Company, Troy, Ohio	6,433,424

(Board - 9/13/84)

Proposals were received from MacArthur Petroleum and Solvent Company, Inc. of Newark, New Jersey, and General Transervice, Inc. of Chester, Pennsylvania and were deemed to be not responsive.

Garsite Products, Inc. submitted the lowest bid and was determined by the Director of General Services to be qualified to perform the contract.

Upon delivery of the new vehicles, Allied New York Services, Inc., or its successor as the airport fueling contractor, will lease the vehicles pursuant to the terms of the proposed supplement to the operating agreement and pay the Port Authority a rental which would compensate the Port Authority for the cost of the vehicles. The contractor will have full responsibility for the operation, maintenance and insurance of the vehicles during the term of the lease.

It was therefore recommended that the Board authorize the Executive Director to:

1. award a contract for the purchase of 20 10,000-gallon capacity tractor/trailer refuelers and two additional tractors to Garsite Products, Inc. at a price of $4,249,555; and

2. amend the existing operating agreement with Allied New York Services, Inc. the fueling contractor at Kennedy International Airport, to provide for leasing of the above mentioned vehicles to Allied at rentals which would compensate the Port Authority for its costs for said vehicles.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorized the Executive Director to:

1. award a contract for the purchase of 20 10,000-gallon capacity tractor/trailer refuelers and two additional tractors to Garsite Products, Inc. at a price of $4,249,555; and

2. amend the existing operating agreement with Allied New York Service, Inc., the fueling contractor at Kennedy International Airport, to provide for leasing of the above mentioned vehicles to Allied at rentals which would compensate the Port Authority for its costs for said vehicles, said approval to be subject to the approval of General Counsel or his authorized representative.

(Board - 9/13/84)

Kennedy International Airport - Planning for Proposed Passenger Distribution System/ Transportation Center/Central Terminal Area Roadway Improvements - Agreement with PRC Engineering, Incorporated

It was reported that the Passenger Distribution System/Transportation Center/Central Terminal Area (CTA) Roadway Improvements Project has been developed as an overall comprehensive plan for balanced passenger distribution and circulation in the CTA. This plan is the result of extensive staff efforts to achieve balanced ground access improvements to provide for the anticipated growth from the current 28 million annual air passengers to 45 million annual air passengers projected to occur in the year 2000. These improvements are essential to maintain and enhance Kennedy International Airport's position as the nation's premier "gateway" airport and are specifically targeted to two key segments of the air passenger market, the inter-line passenger and the public transit user.

Based upon the conceptual plans prepared by staff, PRC Engineering, Incorporated (PRC) will develop a master functional plan of sufficient quality and detail so that drawings and outline specifications developed as part of the master functional plan can be used to prepare Requests for Proposals for the detail design and construction of the Passenger Distribution System/Transportation Center/CTA Roadway Improvements as well as a baggage handling and distribution system. PRC will also develop associated preliminary construction cost estimates which will be necessary to report back to the Board in connection with any requests which would be made for project authorization.

In order to implement these improvements in a time period consistent with the projected growth in passenger demands, it is necessary to complete this functional design effort as soon as possible. Due to the extensive work required, staff determined that this task could best be accomplished by engaging a professional service firm with the specific expertise required for this project that could marshall a large professional staff to work under the management of a Port Authority inter-departmental task force.

The following firms, which were deemed qualified by the Aviation and Engineering Departments, were requested to submit proposals for the required services and proposals were received on August 13, 1984:

PRC Engineering, Incorporated (PRC)
New York, New York

TAMS/Parsons, Brinckerhoff, Quade & Douglas
New York, New York

Howard, Needles, Tammen and Bergendoff
Fairfield, New Jersey and New York, New York

Louis Berger & Associates, Inc.
East Orange, New Jersey

(Board - 9/13/84)

Based on a technical evaluation of these proposals by staff, and taking into account their ability to satisfy the time schedule, their experience with similar previous work, and their proposed compensation, PRC was determined to be the most qualified to provide the required services and the amount of its proposal was deemed reasonable. PRC submitted a proposal in the amount of $1,822,000 for compensation associated with providing the required services. It is recommended that the Board authorize payments up to $3,250,000 to PRC to allow for additional technical and other analyses not presently included in the proposal, as herein described, the need for which may become apparent to the Port Authority as the work effort progresses.

The agreement will contain a provision for making a good faith effort to attain a goal of 15% participation by Minority Business Enterprises/Women Business Enterprises.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with PRC Engineering, Incorporated for professional services in connection with the proposed Passenger Distribution System/Transportation Center/Central Terminal Area (CTA) Roadway Improvements Project at Kennedy International Airport at an amount not to exceed $3,250,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to enter into an agreement with PRC Engineering, Incorporated (PRC) of New York, New York, for professional services in connection with the proposed Passenger Distribution System/Transportation Center/Central Terminal Area (CTA) Roadway Improvements Project at Kennedy International Airport at an amount not to exceed $3,250,000.

(Board - 9/13/84)

Air Cargo Fast Flow - Various Agreements Related to the Planning and Installation of the Automated Cargo Clearance Enforcement Processing Technique System (ACCEPT) at Kennedy International Airport and Port Authority Marine Terminal Facilities

It was reported that on March 8, 1984, the Committee on Operations authorized the Executive Director to award an agreement for a consultant to prepare the Air Cargo Fast Flow System (ACFF) specifications and to prepare a Request for Proposal (RFP) and assist in the evaluation of proposals received, the RFP to cover the system's final design and overseeing the procurement of system hardware and software. Recommendation was made by the RFP review team to award the contract to DLA Associates, Inc. of Springfield, New Jersey, based upon their technical competence and lower requested compensation. The scope of the agreement with DLA was expanded, as authorized by the Committee on Operations on August 9, 1984, to include the following services in connection with the Automated Cargo Clearance Enforcement Processing Technique (ACCEPT): the making of recommendations regarding the telecommunications and computer hardware/software for ACCEPT; the designing and programming of ACCEPT; and the overseeing and assisting in the implementation of ACCEPT; all at an approximate amount of $55,000, which increased the total estimated compensation to $205,000.

ACCEPT is the U.S. Customs clearance and release component of ACFF and can be considered a first phase in developing ACFF. The automated ACCEPT will provide U.S. Customs with the capability of clearing air and maritime import cargo at a faster rate without increasing staff. When incorporated into ACFF, ACCEPT will increase capacity at Port Authority facilities and stimulate economic activity.

Based on specifications provided by U.S. Customs, DLA was asked to size the central site requirements, recommend suitable computers, subject to Port Authority review, and secure proposals from vendors for an installation at a building at Kennedy International Airport. In addition, DLA was asked to recommend suitable terminals, printers and control units required for use by U.S. Customs at Kennedy International Airport, Port Authority marine facilities and at Customs' offices at Six World Trade Center, subject to Port Authority review. The selection criteria are system needs, speed of delivery and cost. The estimated amount for providing the turnkey computer system is $283,000 for computer procurement, installation, operational systems software, and 18-months maintenance through DLA, and $355,000 for terminals, printers and control units rental for 18 months.

Telecommunications will be a critical element in achieving the success of this system. Subject to Port Authority review, DLA will recommend appropriate telecommunications links to connect the terminals and printers at Kennedy International Airport cargo facilities, marine facilities, and U.S. Customs' office at Six World Trade Center to the central computer site at Kennedy International Airport. They are investigating the cost, reliability and time to install these various links as part of their evaluation. The estimated amount for the installation and maintenance of this telecommunications component for the initial 18 months of operations of ACCEPT is $800,000.

In order to implement ACCEPT, an existing manual data base of ACCEPT records must be entered into the system (nearly 50,000 for both air and maritime) as well as records of carriers and terminal operators who are not presently in the system, at an estimated amount of $20,000 for the services of data entry clerks for the first 18 months of operation of ACCEPT. In addition, staff recommends that the Port Authority provide 800 square feet of office space at Kennedy International Airport to U.S. Customs to be used as a central site for ACCEPT, on a rent-free basis for up to 18 months, with the Port Authority to bear the cost of maintenance and utilities. The usual rental value of such space is $28 per square foot.

The airline industry is expected to reimburse the Port Authority for most of the cost of developing ACCEPT and some of the telecommunications cost. The Port Department does not expect comparable support from the maritime industry, but will attempt to recover costs from those choosing to use the system. U.S. Customs has agreed to provide staff to operate and maintain the system.

Because there is a need for an automated ACCEPT nationwide, and since our system is the only one to have reached this stage of development, this system could become the prototype for the national U.S. Customs Automated Commercial System.

The Port Authority is attempting to expedite the implementation of ACCEPT during the fall 1984, in order to provide relief to the cargo industry. At the end of this 18-month demonstration period, Board authorization will be requested with regard to ACCEPT.

It was therefore recommended that the Board authorize the Executive Director to:

1. enter into an agreement with DLA Associates, Inc. for the estimated amount of $638,000 under which DLA will provide a turnkey computer system for the implementation of the Automated Cargo Clearance Enforcement Processing Technique System (ACCEPT) at Kennedy International Airport, including computer procurement, installation and maintenance, operational systems software, printers and control units, and terminal rental for 18 months;

2. enter into a contract for the installation and maintenance of a telecommunications system, with provision for future upgrading of this system, for the initial 18-month operation of ACCEPT, in the estimated amount of $800,000;

3. enter into an agreement for a period of 18 months with an employment service for providing data entry clerks to enter into the new system existing manual ACCEPT records and records of carriers and terminal operators in the estimated amount of $20,000; and

4. enter into a lease of space on a rent-free basis with U.S. Customs for approximately 800 square feet of office space at Kennedy International Airport to be used as a central site for ACCEPT, for a period not to exceed 18 months, with the Port Authority to bear the cost of maintenance and utilities.

(Board - 9/13/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Executive Director to: (1) enter into an agreement with DLA Associates, Inc. for the estimated amount of $638,000 under which DLA will provide a turnkey computer system for the implementation of the Automated Cargo Clearance Enforcement Processing Technique System (ACCEPT) at Kennedy International Airport, including computer procurement, installation and maintenance, operational systems software, printers and control units, and terminal rental for 18 months; (2) enter into a contract for the installation and maintenance of a telecommunications system with provision for future upgrading of this system in the estimated amount of $800,000 for the initial 18-month operation of ACCEPT; (3) enter into an agreement for a period of 18 months with an employment service for providing data entry clerks to enter into the new system existing manual ACCEPT records and records of carriers and terminal operators in the estimated amount of $20,000 and (4) enter into a lease of space on a rent-free basis with U.S. Customs for approximately 800 square feet of office space at Kennedy International Airport to be used as a central site for ACCEPT, for a period not to exceed 18 months, with the Port Authority to bear the cost of maintenance and utilities; and it is further

RESOLVED, that the form of said agreements, contract and lease shall be subject to the approval of General Counsel or his authorized representative.

(Board - 9/13/84)

Kennedy International Airport - Building 89 and Site - Lease to Triangle Aviation Services, Inc.

It was reported that on January 31, 1962, the Committee on Operations authorized a lease with Air Express International Corporation, for a term of 20 years plus a period for construction, for a site of approximately 2.4 acres at Kennedy International Airport upon which Air Express International constructed an air cargo service building and related facilities. The Committee further authorized the Port Authority to pay to Air Express up to $750,000 for the design and construction of the facility, such investment to be recovered over the period from the completion of construction to the expiration of the term of the lease. Construction was substantially completed on July 2, 1963, and Air Express occupied Building 89 under the terms of its lease, as supplemented and extended, until December 25, 1983.

Triangle Aviation Services, Inc., provides ramp service to various airlines operating at the airport as a permittee of the Port Authority. It has become apparent that there is a need for additional services for air carriers operating at the airport in the area of cargo handling. Triangle and the other ramp service permittees, Allied Aviation Service International Corporation, Servair, Inc. and Dynalectron Corporation, have indicated a desire to provide these needed services and the ramp service permits issued to these companies are being supplemented to permit them to offer a full range of cargo handling services to air carriers operating at the airport. Under the terms of the amended permits, the permittees will pay a fee to the Port Authority equal to 5% of the gross receipts derived by the permittee from such services.

Negotiations have been substantially completed with Triangle Aviation Services, Inc. for a five-year lease commencing on May 1, 1984, and expiring on or about April 30, 1989, for Building 89 and related outside areas, to be used by Triangle Aviation Services in providing cargo handling services to air carriers operating at the airport at the following approximate annual rentals:

Ground Rental	$ 52,382	(approximately 2.381 acres @ $22,000 per acre per year)
Building Rental	194,910	(approximately 25,988 square feet @ $7.50 per square feet per year)
Approximate Annual Rental	$247,292	

Triangle Aviation Services, Inc. would have complete responsibility for the operation, maintenance and repair of the premises and would carry property insurance. The Port Authority would supply and meter, and Triangle would pay for, electricity and cold water. The lease agreement will provide that the Port Authority may terminate the lease on 30 days' notice in the event Triangle's privilege to perform cargo handling service at the airport expires or is terminated or revoked.

Triangle was permitted to occupy Building 89 on May 1, 1984, subject to termination by the Port Authority on 30 days' notice pending Board approval of the proposed five-year lease agreement.

(Board - 9/13/84)

It was recommended that the Board authorize the Executive Director for and on behalf of the Port Authority to enter into an agreement of lease with Triangle Aviation Services, Inc. at Kennedy International Airport for Building 89 and a site of approximately 2.381 acres, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into an agreement of lease with Triangle Aviation Services, Inc. for a five-year term commencing on May 1, 1984 and expiring on or about April 30, 1989 for Building 89 and a site of approximately 2.381 acres at Kennedy International Airport to be used by Triangle in providing cargo handling services to air carriers operating at the airport, with Triangle to pay a ground rental at the annual rate of $22,000 per acre and to pay a building rental at the annual rate of $7.50 per square foot for a total annual rental of approximately $247,292 for land and buildings, with Triangle to have the responsibility for operation, maintenance and insurance and with the Port Authority to supply and Triangle to pay for electricity and cold water, with the Port Authority to have the right to terminate the lease on 30 days' notice in the event Triangle's privilege to perform cargo handling service at the Airport expires or is terminated or revoked; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

Kennedy International Airport - JFK Express Howard Beach Station - Contract Management for New York City Transit Authority

It was reported that the New York City Transit Authority has been operating a combination express subway and bus service, under a Port Authority permit, to Kennedy International Airport since 1978. The service provides an important mass transit means of transportation to and from Kennedy International Airport for airline passengers, as well as providing a commuter service for airport employees.

Originally, portable buildings were erected to provide a temporary waiting room/ terminal facility. The New York City Transit Authority concluded that in order for the JFK Express to provide first class service, a new terminal facility is required and preliminary agreement on a lease incorporating such a facility to be constructed by the Transit Authority on a site in Parking Lot 9 was reached and the Board approved such a lease at its meeting on December 8, 1983.

Subsequently, the Transit Authority prepared a contract for, and took bids on, the project. The low bid was submitted by Van Tulco Inc., at a price of $1,377,650, but the contract was not awarded due to management manpower shortages in the Transit Authority.

Over the last several months, staff has met with the executive management of the Transit Authority to encourage the construction of this facility, since staff believes that it will enhance mass transit service to Kennedy International Airport. The Transit Authority indicated that if the Port Authority entered into an agreement to supply contract management services for the said contract, they would enter into the lease for the premises and construct the facility at their expense as provided. Due to the delays in commencement of the lease and construction thereunder, it is necessary to change the commencement date of the lease to on or about October 1, 1984, and to change the outside date for the period used to calculate unamortized investment to on or about April 1, 1986. The agreement between the Port Authority and the Transit Authority will provide that the Transit Authority will be responsible for all payments under its construction contract to Van Tulco Inc.

Upon authorization for the Executive Director to enter into this agreement and the lease as modified, the New York City Transit Authority will submit these matters to their Board, and if approval is obtained, it is estimated construction will start this fall with completion scheduled for March 1986.

It was therefore recommended that the Board authorize the Executive Director:

1. to enter into an agreement with the New York City Transit Authority wherein the Port Authority would provide, at no cost to the Transit Authority, contract management services for the construction of a new terminal facility for the "JFK Express" in Parking Lot 9 at Kennedy International Airport, the agreement to provide that the Transit Authority will be responsible for all contract payments to the Transit Authority's contractor; and

2. to change the commencement date of the lease of the new terminal facility to the Transit Authority authorized by the Board at its meeting on December 8, 1983, to on or about October 1, 1984, and to change the outside date for the period used to calculate unamortized investment to on or about April 1, 1986.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Executive Director: (1) to enter into an agreement with the New York City Transit Authority wherein the Port Authority would provide, at no cost to the Transit Authority, contract management services for the construction of a new terminal facility for the "JFK Express" in Parking Lot 9 at Kennedy International Airport, the agreement to provide that the Transit Authority will be responsible for all contract payments to the Transit Authority's contractor and (2) to change the commencement date of the lease of the new terminal facility to the Transit Authority authorized by the Board at its meeting on December 8, 1983, to on or about October 1, 1984, and to change the outside date for the period used to calculate unamortized investment to on or about April 1, 1986; and it is further

RESOLVED, that the form of said agreement and lease modification be subject to the approval of General Counsel or his authorized representative.

LaGuardia Airport - Runway and Taxiway Deck Structure - Strengthening of Cantilever Slabs - Increase in Compensation and Scope of Work under an Agreement with URS Company, Inc. and Retention of a Professional Engineering Firm for Testing Work

It was reported that the Committee on Construction, at its meeting on December 8, 1983, authorized the Chief Engineer to enter into an agreement with URS Company, Inc. for professional engineering services and advice including the development of conceptual schemes, preparation of preliminary schemes, divising computer models for analysis, preliminary and final design, contract preparation, construction cost estimating, pre-award and post-award contract changes and review and approval of shop drawings, all in connection with the strengthening of the cantilever slabs of the runway and taxiway deck structures at LaGuardia Airport. The agreement provided compensation to URS Company, Inc. on a timecard basis plus out-of-pocket expenses with base compensation estimated at $225,000, plus a contingency of $75,000, yielding a total compensation estimated at $300,000. This agreement also provided staff with the option of incorporating design requirements for aircraft other than the McDonnell Douglas DC-9 Super 80. Subsequent to the start of URS's design effort, the scope of work of URS was increased to include design of the strengthening of the cantilever slab in the Taxiway "G" area and to evaluate the proposed cantilever strengthening for all taxiways and runways to support the Boeing B727-200. URS completed all work under the agreement at an estimated compensation of approximately $270,000.

The design work associated with Taxiway "G" required detailed analysis of the influence of the second gear of both design aircraft. This analysis revealed that the second gear caused higher stress levels than previously anticipated. Therefore, the designed strengthening was determined to be inadequate and requires redesign.

In conjunction with a prior Port Authority approval for interim operations of the DC-9 Super 80 which contained certain operational considerations, URS, as an extension to their agreement with McDonnell Douglas, performed monthly structural integrity inspections of the cantilever deck areas. These inspections have indicated that the structure appears to be sound and fully serviceable.

In order to incorporate the new design parameters into the final design, staff has determined that the following course of action should be implemented:

1. an expert in computer modeling of structural behavior of reinforced concrete should be retained to evaluate the finite element model used to analyze the cantilever slabs, (the Chief Engineer, under the December 8, 1983 Board authorization to retain professional services on an as-needed basis, retained Dr. Jerome J. Connor, Professor of Civil Engineering, Massachusetts Institute of Technology, for this purpose);

2. increase the scope of work and compensation under the agreement with URS to include: consultation with Dr. Connor on computer modeling, making agreed upon changes to the computer model, and inserting input data and reviewing the results from the modified models; making recommendations for either laboratory or field testing of the deck structure; reviewing the results of the tests and making recommendations; performing preliminary and final design, contract preparation, construction cost estimating, pre-award and post-award contract changes and review and approval of shop drawings; and

3. a professional engineering firm should be retained to perform actual field testing of the existing deck structures or physical laboratory testing of models.

(Board - 9/13/84)

It is anticipated that the result of this engineering effort will enable staff to determine if a practical solution to provide the required degree of strengthening can be developed, or whether further restrictions to aircraft operations should be imposed. If strengthening of the deck is practical, additional authorization will be sought at a future date to provide for URS's services to perform preliminary and final design work.

Compensation will be made to the outside professional engineering firms on a timecard basis plus out-of-pocket expenses.

An increase will be required in the 1984 Budget in the amount of $1 million to cover the increase in the scope of the work under the URS Company agreement and the new testing work.

It was therefore recommended that the Board authorize:

1. the Chief Engineer to increase the scope of work under an agreement with URS Company, Inc. and to increase total compensation from $300,000 to an amount roughly estimated at $1 million, all in connection with the re-evaluation of the strengthening of the cantilever slabs of the runway and taxiway deck structures at LaGuardia Airport;

2. the Chief Engineer to enter into an agreement with a professional engineering firm to perform actual field testing of the existing deck structures or physical laboratory testing of models at an amount roughly estimated at $300,000; and

3. an increase in the 1984 Budget in the amount of $1 million to cover the increase in the scope of work under the URS Company agreement, and for the new testing work.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize: (1) the Chief Engineer to increase the scope of work under an agreement with URS Company, Inc. and to increase total compensation from $300,000 to an amount roughly estimated at $1 million, all in connection with the re-evaluation of the strengthening of the cantilever slabs of the runway and taxiway deck structures at LaGuardia Airport; (2) the Chief Engineer to enter into an agreement with a professional engineering firm to perform actual field testing of the existing deck structures or physical laboratory testing of models at an amount roughly estimated at $300,000; the form of the agreement to be subject to the approval of General Counsel or his authorized representative; and (3) an increase in the 1984 Budget in the amount of $1 million to cover the increase in the scope of work under the URS Company agreement, and for the new testing work.

(Board - 9/13/84)

La Guardia Airport - Butler Aviation-LaGuardia, Inc. - Amendment to Fixed Base Operator Lease, Surrender of Hangar 7 and Hangar 11 Premises and Addition of the Former AMF Building and Other Ground Area to Premises

It was recalled that Butler Aviation-LaGuardia, Inc. leases space in Hangar 7 and hangar floor of Hangar 11, and other facilities at LaGuardia Airport in connection with its obligations as the Fixed Base Operator at LaGuardia Airport pursuant to an Operating Agreement which was awarded after competitive bidding pursuant to Board action in January 1982, and which expires on February 28, 1987. Butler's bid was the payment to the Port Authority of 13.72% of its gross receipts, as defined in the Operating Agreement, plus its fixed rental obligations.

Port Authority staff has determined that it would be beneficial to the Port Authority to accept a surrender of the aforesaid two hangar facilities. Due to the lack of aircraft maintenance activity at the airport, Hangar 7 is now surplus to Butler's needs. The obligation of Butler under the Operating Agreement to maintain the capacity at the Airport to provide a full range of aircraft maintenance services would also be appropriately modified. It is expected that the major portion of Hangar 7 would be used by Hudson General Corporation, under a 30-day permit issued by the Port Authority. Hudson has been selected by certain airlines at LaGuardia, including Continental Airlines, USAir, Republic, Piedmont, Frontier, Horizon, and Northwest, to operate a consolidated cargo facility, which would be a much better utilization of this facility. A portion of the Hangar 7 space is expected to be used for the future relocation of Eastern Air Lines' cargo and aircraft parts storage functions. These are presently located in Hangar 8, which is potentially to be demolished to make way for the construction of a new East End Passenger Terminal. The rental rates to be paid by Hudson and Eastern would be substantially the same as now paid by Butler.

Butler has been maintaining its refueler trucks on the Hangar 11 ramp and using one-half of the hangar floor as a back-up facility to this function, which it appears may not meet the Federal Environmental Protection Agency's (FEPA) standards. Upon surrender, the Port Authority may use Hangar 11 to satisfy its needs for the storage of snow removal equipment. It is proposed that Butler lease the former Airport Mail Facility for the purpose of maintaining its refueler trucks in compliance with FEPA standards. Butler would modify and expand the facility for this purpose at an estimated cost of $450,000. Butler would be reimbursed by the Port Authority for its unamortized cost of this capital improvement up to $450,000 using a 10-year straight line amortization period, commencing on the date Butler takes occupancy, in the event the Operating Agreement is terminated without cause by the Port Authority or upon expiration thereof. It is presently expected that this amount reimbursed would be recoverable under the re-bid Fixed Base Operator Agreement. Rental for the AMF building would be approximately $15,004 per year, with Butler having full maintenance responsibility, and rental for the approximately one acre of ground area would be approximately $25,000 per year.

(Board - 9/13/84)

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement with Butler Aviation-LaGuardia, Inc. at LaGuardia Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

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 amending the Operating Agreement with Butler Aviation-LaGuardia, Inc. dated March 1, 1982, under which Butler operates as the Fixed Base Operator at LaGuardia Airport, to modify Butler's obligation to provide aircraft maintenance services and to provide for the surrender to the Port Authority, effective on or about October 31, 1984, of Butler's Hangar 7 and Hangar 11 premises at LaGuardia Airport with a total reduction of annual rental of approximately $289,400, and for the letting to Butler, effective on or about November 1, 1984, and for the balance of the term of the Operating Agreement of the former Airport Mail Facility building and approximately one acre of ground area to be and become a part of the premises under the Agreement at a total rental of approximately $40,000 per year with Butler to have complete responsibility for operation, repair and maintenance and to carry property insurance on the premises and with Butler to be required to convert the space for use as a maintenance facility for its refueling trucks and with the Port Authority to be obligated to pay to Butler, upon the expiration of the Operating Agreement or the termination of the Operating Agreement by the Port Authority without cause, Butler's unamortized cost of construction up to $450,000 calculated on a 10-year straight line basis commencing on the date Butler's letting of the new space commences; the form of the foregoing agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 9/13/84)

LaGuardia Airport - "Perimeter Rule" Study and Final Rule

At the May 10, 1984 Board meeting, it was reported that operations at LaGuardia Airport have been restricted as to non-stop length of flight segments and destinations since the late 1950's but that recent circumstances have brought this policy into contention. Air Canada has relocated from the British Airways Terminal at Kennedy International Airport to LaGuardia Airport. Initially, after relocation, Air Canada utilized United's terminal at Kennedy International Airport to provide non-stop service to and from Calgary. On February 29, 1984, Air Canada officially notified the Port Authority of its intention to inaugurate a Calgary flight at LaGuardia on April 29, 1984, in violation of the Port Authority's policy. Subsequent correspondence and communications failed to dissuade Air Canada. By stipulation between the Port Authority and Air Canada, however, Air Canada's service to Calgary does not give Air Canada any vested rights. In addition, the new Boeing 767 aircraft are being operated by a number of airlines at LaGuardia Airport. The 767 has the capability of flying transcontinental non-stop from/to LaGuardia Airport. Other aircraft, such as the 747, have been unable to provide such service due to weight and landing gear configuration restrictions on LaGuardia's runways. Several airlines have approached the Port Authority seeking permission to institute non-stop 767 transcontinental service. A preliminary staff review had tentatively concluded that the interests of the public and the airlines are well served by the continuation of some type of perimeter rule.

The Board directed staff to conduct a comprehensive study of the current policy and directed staff to solicit comments from all interested parties and present its recommendations to the Board in approximately 90 days.

Staff has reviewed its tentative findings and completed its analysis of the survey of all interested parties.

Staff sent a questionnaire to approximately 160 different parties and received some 50 responses. Although a few airlines (Air Canada, TWA and United) expressed serious objections to the flight limitation policy and several other parties foresaw potential benefits as well as disadvantages in abandoning the policy, there is strong support for a continuation of such a policy. Most of those surveyed either favored retaining the current policy or imposing a somewhat more restrictive policy. Among the supporters of either the current policy or some modified version of it were airlines which carried 13.8 million LaGuardia passengers in 1983 or nearly three-fourths of all passengers handled at LaGuardia last year. Also responding were the Federal Aviation Administration, the Department of Transportation and the State Department. Although they did not take a position on the mileage aspects of our policy, these Federal agencies did not take issue with our right to impose a "perimeter" rule. However, the State Department "perceive(d) no reason why the perimeter should be restricted to the continental United States" and further states "there should be no distinctions among precleared flights, and all such flights should be permitted to utilize LaGuardia airport". Thus, our recommended final rule has been drafted to overcome the State Department's objections.

(Board - 9/13/84)

In total, about 20% of the survey respondents favored a 1,500 statute mile perimeter with most of this group favoring continuing service to those cities currently served beyond 1,500 statute miles. Although more than 20% of the parties offered alternatives to those suggested by staff, none advocated a specific geographic related rule with most comments favoring a restricted use policy of some type for the airport. Three-fourths of the parties supported restricting international service to pre-cleared flights.

Major objections in the survey to a "perimeter rule" were raised, principally by TWA and United, based on their contention that competition and market demand should be the determinants of what types of services should be provided at LaGuardia. It is their perception that the policy conflicts with the tenets of the Airline Deregulation Act as well as other statutes including the Federal Aviation Act of 1958. These carriers also disagree with staff's assessment of the impact of abandonment of the policy on LaGuardia Airport operations. Air Canada's objections focus principally on the treatment of international flights between LaGuardia and Canada and the applicability of international and bilateral agreements.

After assessing the survey results and the objections raised by respondents, staff affirms its tentative conclusion that the interests of the public and the airlines are best served by the continuation of some type of perimeter policy, particularly in view of the limited physical facilities and other inherent limitations of LaGuardia Airport and the larger capacities at Kennedy International and Newark International Airports. However, in view of the concerns expressed by the State Department and suggestions by several carriers and other parties for modification of the rule, staff recommends that the current interim rule be modified by reducing the mileage radius from 2,000 statute miles to 1,500 statute miles but allowing the continuation of service to o Denver, expand the current policy to permit non-stop flights to such Canadian cities as Winnipeg which already have preclearance facilities as well as to other Canadian cities within 1,500 statute miles of LaGuardia which may acquire preclearance facilities in the future. This would exclude Calgary which is beyond 1,500 statute miles and where although service was recently instituted the stipulation entered into by the parties gives Air Canada no vested rights.

The "grandfathering" of Denver is important for LaGuardia Airport. Continental Airlines, United Airlines and Frontier Horizon currently provide continuous non-stop LaGuardia service to Denver (Stapleton Airport), Continental since October 1981, United since July 1982 and Frontier Horizon since March 1984. Both United and Continental schedule three non-stop flights daily while Frontier Horizon currently operates two non-stop daily flights to Denver. In 1983, United and Continental enplaned 196,000 passengers at LaGuardia for Denver. Denver is LaGuardia's 16th largest market. It is a key hub for Continental, United and Frontier Horizon, these three airlines accounted for 9.5 million passengers at Stapleton in 1983, 84% of that airport's total volume.

Service to Bermuda and the Bahamas will also be permitted. The inclusion of Bermuda and the Bahamas is not expected to have a major impact on LaGuardia since these are medium size markets and have preclearance facilities. In 1983, there were 389,000 air passengers between New York/Newark and Hamilton, Bermuda and 445,000 to/from the Bahamas. The exception for flight operations on Saturdays is warranted by the fact that passenger volumes on Saturdays are 20% less than the average daily volume from Sunday through Friday. The exception for general aviation

operations conducted at the Marine Air Terminal is based upon the current adequacy of passenger facilities at that terminal for general aviation. A review of the two 1983 annual survey days which provide hourly information indicates that there are no "windows" during the day which warrant relaxation of the rule. Although passenger volumes and flight activity are less during the early Sunday morning hours, two-thirds of the activity are departures with resulting intense use of the facilities. Staff believes that adoption of a 1500 statute mile perimeter rule applicable to both domestic and precleared international flights plus the "grandfathering" of Denver will maintain the short haul character of LaGuardia Airport without being disruptive to established service patterns. If conditions change, the policy should be reexamined. Staff will also keep the Board informed on issues related to the FAA High Density rules for LaGuardia and on any other capacity issue that could affect the Perimeter Rule. Such as the current industry discussions on aircraft delay and congestion problems.

It was therefore recommended that the Board find and determine that LaGuardia Airport should continue to be used primarily for business travel and for trips to and from short and medium-haul destinations and based upon such findings, adopt the following policy: LaGuardia Airport is to be utilized for non-stop domestic flights and international flights pre-cleared by the Federal inspection services only to and from points that are located within 1,500 statute miles of LaGuardia Airport and to and from Denver which is important to LaGuardia Airport and currently has regularly scheduled non-stop LaGuardia service. The mileage limitations would not apply to flight operations performed on Saturdays or to general aviation operations conducted at the Marine Air Terminal.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board finds and determines that LaGuardia Airport should continue to be used primarily for business travel and for trips to and from short- and medium-haul destinations; and it is further

RESOLVED, that LaGuardia Airport is to be utilized for non-stop domestic flights and international flights pre-cleared by the Federal inspection services only to and from points that are located within 1,500 statute miles of LaGuardia Airport and to and from Denver which is important to LaGuardia Airport and currently has regularly scheduled non-stop LaGuardia service; the mileage limitations would not apply to flight operations performed on Saturdays or to general aviation operations conducted at the Marine Air Terminal.

(Board - 9/13/84)

Newark International Airport - Snow Clearing Contract - 1984-1985 - Award to Aero Snow Removal, Ltd.

It was reported by Memorandum of Justification dated November 9, 1982, the Director of Aviation was authorized to extend the previous Newark International Airport contract for snow removal services for three-one year terms, which would have carried through the 1985-1986 snow removal season. Since that time, the area of snow clearing responsibility has expanded so markedly that the previous contract is no longer viable and rebidding is necessary. Since 1982, Parking Lots 2, 4, 6 and E have been added, and a higher priority response was required at the North Terminal, Terminal "C" apron and related roadways and aircraft hardstands.

The low bid in the total estimated amount of $477,850 is based on the average annual 26" of snowfall, including a guaranteed lump sum amount of $138,400 for up to 13" of snow, a fixed unit price of $10,650 for each inch of snowfall over 13" and $670 per hour for use of thermal snow melters and payloaders. Also included in the contract are hourly rates for equipment which may be used in the performance of extra work.

In addition to the uncertainties surrounding the actual amounts of snow to be cleared, there may also be further additions to the areas to be cleared for snow. To provide for flexibility in the administration of the contract, it is recommended that the Executive Director be authorized to enter into supplemental agreements to increase or decrease the areas and the contractor's compensation by up to 20% of the estimated amount of the contract annually, and that the Director of Aviation be authorized to approve payments for work in excess of the estimated total contract or in excess of the estimated total contract amount adjusted for any extension period, based on the actual snowfall experienced.

The contract was publicly advertised and on August 24, 1984, the following bids were received:

Aero Snow Removal, Ltd. Port Washington, New York	$477,850
Hudson General Corp. Great Neck, New York	539,550
Staff Estimate	**$500,000**

Aero Snow Removal, Ltd. submitted the lowest bid and was determined by the Director of General Services to be qualified to perform the contract.

(Board - 9/13/84)

It was therefore recommended that the Board authorize:

1. the Executive Director to award the Newark International Airport, Snow Clearing Contract, 1984-1985 to Aero Snow Removal, Ltd. in the estimated amount of $477,850 said contract to be effective November 1, 1984 for an initial one-year term, covering snow clearing services in parking lots and certain ramps, aprons, roadways, aircraft hardstands, and taxiways, and to order extra work up to the amount of $143,400 during said initial year for the use of more equipment or work in areas not included in the contract on an emergency basis;

2. the Executive Director, in his discretion, to exercise options for three additional one-year extensions with all contract prices to be subject to a price adjustment for each of the contract extensions in accordance with the percentage increase in the Price Index for all Urban Consumers for August of each year, and to order extra work up to an amount equal to 30% of the adjusted estimated total contract price during each one-year extension;

3. Executive Director, in his discretion, to enter into supplemental agreements to the contract to increase or decrease the areas and contractors' compensation by up to 20% of the estimated amount of the contract annually, due to the rapid growth being experienced at the airport; and

4. Director of Aviation to approve payments for work in excess of the estimated total contract amount adjusted for any extension periods, based on the actual snowfall experienced.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to award the Newark International Airport Snow Clearing Contract, 1984-1985, to Aero Snow Removal, Ltd. in the estimated amount of $477,850, said contract to be effective November 1, 1984 for an initial one-year term, covering snow clearing services in parking lots and certain ramps, aprons, roadways, aircraft hardstands, and taxiways, and to order extra work up to the amount of $143,400 during said initial year for the use of more equipment or work in areas not included in the contract on an emergency basis; and it is further

RESOLVED, that the Executive Director is authorized, in his discretion, to exercise options for three additional one-year extensions with all contract prices to be subject to a price adjustment for each of the contract extensions in accordance with the percentage increase in the Consumer Price Index for all Urban Consumers for August of each year, and to order extra work up to an amount equal to 30% of the adjusted estimated total contract price during each one-year extension; and it is further

RESOLVED, that the Executive Director is authorized, in his discretion, to enter into supplemental agreements to the contract to increase or decrease the areas, and the contractors compensation by up to 20% of the estimated contract amount annually, due to the rapid growth being experienced at the airport; and

(Board - 9/13/84)

RESOLVED, that the Director of Aviation is authorized to approve payments for work in excess of the estimated total contract amount adjusted for any extension periods, based on the actual snowfall experienced.

(Board - 9/13/84)

Newark International Airport - Terminal A - New Master Airline Leases with American Airlines, Inc. and Northwest Airlines, Inc.; Partial Surrender - Trans World Airlines, Inc. of Lease No. AN-538 - Terminal B: Assignment of Pan American World Airways, Inc. Lease No. AN-543 to New York Airlines, Inc.

It was reported that the Board, at its meeting on March 8, 1984, authorized termination of the rights and obligations of American Airlines, Inc., Northwest Airlines, Inc. and Pan American World Airways, Inc. with respect to the said carriers' completion and occupancy of space in Terminal C at Newark International Airport. At the same time, the Board authorized the surrender by Pan American of its leasehold in Terminal B including a payment by the Port Authority to the carrier of approximately $4.6 million for airline finishes therein. In all instances, the carriers were to be accommodated in space in either Terminals A or B and the terms of any new lease would be subject to the approval of the Board.

Trans World Airlines, Inc. indicates that it will cooperate with the program of reallocating terminal space, and it is willing to surrender to the Port Authority approximately one-half its leasehold in Terminal A, reducing its size from a total of eight aircraft gate positions to four. By the same token, discussions have been progressing with American Airlines and Northwest Airlines with respect to their leasing portions of the surrendered TWA space under long term leases. Negotiations have reached the point where tentative agreement has been reached with TWA for the surrender of portions of its space to the Port Authority for an amount which would not be greater than $1.5 million, which would, in turn, be leased as follows:

American would lease three of the gates to be surrendered by TWA (Gates 22, 23 and 24), and Northwest would lease one TWA gate (Gate 19) and the two former Braniff gates (Gates 20 and 21) which are currently under Port Authority control and available for leasing for a term commencing on or about January 1, 1985 and expiring on December 31, 1998. The airlines will, to as great an extent as possible, receive a proportionate share of interior terminal space in support of their operations. Each airline will pay an annual rental consisting of (i) a total fixed amount at the rate of approximately $300,000 for each aircraft gate position and proportionate share of both exclusive and non-exclusive terminal space, essentially in their existing configuration, and (ii) a variable amount (Airport Services) at the annual rate of approximately $50,000 per gate, such amount to be adjusted annually in accordance with the Airport Services formula. However, in the event such space is greater or less than an equally proportionate share to any significant degree, the annual rental of $300,000 per gate would be increased or decreased accordingly. The TWA rental would be reduced to reflect the amount of space given up. The rental rates, for a term commencing on or about January 1, 1985 and expiring on December 31, 1998, would make the Port Authority whole in connection with its payment to TWA for existing improvements in the leased areas to be surrendered. As with the existing Master Airline Leases, the proposed agreements will contain provisions covering the Airport Services Factor Charge, the Flight Fee, the Fuel Gallonage Fee and the Central Heating and Refrigeration Plant Charge formulas.

In order to accommodate the airlines' desire to move as expeditiously as possible, the Port Authority would agree to permit American and Northwest to enter the proposed leaseholds prior to execution of the leases for the purpose of performing site preparation work. The Port Authority is in a position to authorize Northwest to enter the space formerly occupied by Braniff Airways, Inc., but Trans World Airlines, Inc. will have to approve entry to its leasehold for such purposes. American and Northwest will, of course, assume the risk, among others, of complete loss of investment and the obligation to restore the premises in the event leases are not executed.

Subsequent to the meeting of the Board on March 8, 1984, there have been further discussions with Pan American and with other carriers and it has become apparent that the changes being sought in Terminal B would be facilitated if, rather than a surrender, the Port Authority were agreeable to an assignment of the entire five-gate Pan American leasehold to New York Airlines, Inc. New York Air, which currently operates in a portion of the space as sublessee of Pan American, has indicated a need for more space to accommodate its intended expansion at Newark. Discussions with New York Air and Pan American have been under way for some time and it has been agreed that the Pan American lease would be assigned to New York Air. The lease with New York Air would be supplemented pursuant to which it would pay an annual rental consisting of (i) a total fixed amount at the rate of approximately $351,000 for each aircraft gate position and proportionate share of both exclusive and non-exclusive terminal space essentially in their existing configuration, said amount being more than the rental proposed for American and Northwest due to the enlarged size of the Flight Station B-3, and (ii) a variable amount (Airport Services) at the annual rate of approximately $50,000 per gate, such amount to be adjusted annually in accordance with the Airport Services formula. This rental rate will make the Port Authority whole in connection with its payment to Pan American for existing improvements as authorized by the Board on March 8, 1984, if the space is rented continuously at the proposed rental rate through December 31, 1998.

New York Air would pay on the effective date of the assignment an amount representing three months rental (fixed and variable) and estimated CH & RP charges and would pay a similar amount representing three months' rental and charges three months thereafter, the amount of both such payments being estimated to total approximately $1.3 million. Thereafter, rental and CH & RP charges would be paid on a monthly basis. New York Air has reached agreement with Pan American to buy its loading bridges and certain other personal property at Terminal B at a cost of $1.3 million and to assume Pan American's obligation to the Port Authority to pay the $3.7 million Terminal C settlement amount. The Port Authority would assume this $1.3 million obligation of New York Air's for the personal property and either, at the Port Authority's election, take title to or receive a security interest in it. In either case, the Port Authority would be repaid this amount by New York Air starting January 1, 1986 and continuing over the remainder of the term of the lease, together with deferred interest from the date of our payment to January 1, 1986 and ongoing interest, both at the rate of 13½% per year. The Port Authority would be paid the $3.7 million by New York Air starting January 1, 1986 and continuing over the remainder of the term of the lease, together with deferred interest from the effective date of the assignment to January 1, 1986 and ongoing interest, both at the rate of

13½% per year. Pan American would be released from said obligation on the effective date of the assignment. New York Air would be given a one-time right to terminate its lease prior to its expiration date of December 31, 1998, effective either December 31, 1987 or December 31, 1988, as agreed upon by the parties in the lease, upon at least six months' prior written notice, and if it exercises such right New York Air would be released from all obligations under the lease subsequent to the termination date except for the repayment, as hereinafter set forth, of the unpaid balance of the $3.7 million and deferred interest, together with ongoing interest, hereinafter collectively called "the surviving obligation."

If the New York Air premises so terminated are thereafter leased to others, the Port Authority agreeing to use all reasonable efforts to do so, the Port Authority bears the risk that it would not receive rentals equal to the fixed and variable amounts payable by New York Air, or of not leasing the premises at all. If the premises are leased, any monthly payments the Port Authority receives which are in excess of the foregoing would reduce New York Air's monthly liability to the Port Authority with respect to the surviving obligation, but New York Air would be responsible to pay any deficiency. The remaining New York Air debt with respect to the personal property would be discharged upon New York Air's termination of its lease. If title to said personal property has not already passed to the Port Authority, it would become Port Authority property upon New York Air's termination.

The supplement with New York Air would obligate it to accommodate Pan American pursuant to a sublease or handling arrangement during the term of the lease upon reasonable terms if Pan American makes such an arrangement effective immediately after the assignment but only at the level of aircraft activity at which Pan American is presently operating at the airport.

As for American Airlines and the termination of its Terminal C obligations, the proposed $5.5 million settlement amount approved by the Board at its meeting on March 8, 1984, was based on the fact that American intended to reduce its five-gate commitment to a total of only two gates, representing a reduction of three gates. The understanding reached between the Port Authority and the three Terminal C carriers was that each carrier would pay to the Port Authority an amount totalling approximately $1.85 million per gate for each gate it had committed for in Terminal C but which it would now be giving up. Since American originally proposed reducing its five-gate commitment at Newark by three gates, its settlement amount was to have totalled $5.5 million. Since that time, however, American has increased its commitment at Newark from a total of two to three gates, with the result that it now will be reducing its commitment by only two gates. Therefore, there should be a corresponding reduction to its Terminal C settlement amount, which, as proposed, would now total approximately $3.7 million. The Memorandum of Understanding Agreements contain other provisions covering the Deferred Payment Fund, the flight fee and the fuel gallonage fee at the airport. American and Northwest have incurred obligations with respect thereto under these agreements which will be integrated into their new leases and the Terminal C agreements terminated accordingly. The Deferred Payment Fund, the flight fee and the fuel gallonage fee are covered in Pan American's Terminal B lease which is being assigned and would now be covered by Pan American's Terminal C

Memorandum of Understanding Agreement. Pan American would no longer be required to operate at the airport or to lease passenger terminal space from the Port Authority. Should Pan American no longer operate at the airport, its debt under the Deferred Payment Fund would not be accelerated but Pan American would be obligated in any event to pay its debt in installments commencing January 1, 1987 and expiring December 1988 as under the existing arrangement. The foregoing would be reflected in Pan American's Terminal C Agreement.

The proposed new leases, assignment and other agreements are to be contingent upon payment to the Port Authority of the Terminal C settlement amounts as well as all amounts due under the Terminal C Memorandum of Understanding Agreements with respect to Terminal C up to June 1, 1984, the effective date of termination.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into agreements with American Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., New York Airlines, Inc. and Pan American World Airways, Inc. at Newark International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into new Master Airline Leases, with a term to commence on or about January 1, 1985, with American Airlines, Inc. and Northwest Airlines, Inc. covering, among other things, the use and occupancy of separate leaseholds each comprised of three aircraft gate positions and related terminal space in Terminal A, with an annual rental consisting of (i) a total fixed amount at the rate of approximately $300,000 for each aircraft gate position and proportionate share of both exclusive and non-exclusive terminal space essentially in their existing configuration, and (ii) a variable amount (Airport Services) at the annual rate of approximately $50,000 per gate, such amount to be adjusted annually in accordance with the Airport Services formula; the expiration of the term of the leases to coincide with the existing Master Airline Leases, namely on December 31, 1998; with the lease form to be patterned after the Master Airline Leases currently governing Terminals A and B and to include the Airport Services Factor Charge, the Flight Fee, Fuel Gallonage Fee and Central Heating and Refrigeration Plant Charge formulas; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to consent to an assignment of the Pan American Lease covering, among other things, the carrier's five-gate leasehold in Terminal B to New York Airlines, Inc., (excluding Pan American's debt under the Deferred Payment Fund program), including a payment by the Port Authority to Pan American of approximately $4.6 million for airline finishes therein, with Pan American being released from all its obligations under the lease subsequent to the assignment other than the Deferred Payment Fund and not being required to operate at the airport or to lease other space at the airport; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a Supplement to New York Air's lease from and after the effective date of the assignment, providing, among other things, an annual rental consisting of (i) a total fixed amount at the rate of approximately $351,000 for each aircraft gate position and proportionate share of both exclusive and non-exclusive terminal space essentially in their existing configuration, and (ii) a variable amount (Airport Services) at the annual rate of approximately $50,000 per gate, such amount to be adjusted annually in accordance with the Airport Services formula, with the Port Authority paying $1.3 million for personal property purchased by New York Air from Pan American and with New York Air assuming Pan American's obligation to make the Terminal C settlement amount payment of $3.7 million, with Pan American being released from this obligation, these amounts with deferred and ongoing interest to be repaid by New York Air over the term of the lease commencing January 1, 1986 with New York Air to have a one-time right to terminate the lease on six months' written notice; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to enter into a supplemental agreement with Trans World Airlines, Inc. whereby, among other things, a portion of the TWA leasehold in Terminal A would be surrendered, reducing TWA's existing eight aircraft gate positions to a total of four, with a corresponding reduction in the size of its terminal space and an appropriate reduction to its rental and other charges, including a payment by the Port Authority to TWA of up to $1.5 million for airline finishes therein, such space in turn to be leased to American Airlines and Northwest Airlines; and it is further

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to further supplement the Memorandum of Understanding Agreements to establish June 1, 1984 as the effective date for terminating the rights and obligations of American Airlines, Northwest Airlines and Pan American World Airways with respect to Terminal C, and to reduce American's settlement amount that had been approved by the Board at its meeting on March 8, 1984 from a total of $5.5 million to $3.7 million with the Memorandum of Understanding Agreements of American and Northwest, which now cover their portion of the Deferred Payment Fund, the flight fee and the fuel gallonage fee to be integrated into the new leases with American and Northwest and with the Memorandum of Understanding Agreement with Pan American with respect to the foregoing to be continued in effect and the provisions covering the same under the Pan American lease to be integrated therein, with the proposed new leases for Terminal A, the assignment of Pan American's Terminal B lease and the surrender of Trans World Airlines' space as aforesaid to be contingent upon the three Terminal C carriers: (a) executing the documents terminating their Terminal C commitments, and (b) making payment of the settlement amounts as previously approved and hereby amended by the Board; and it is further

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

(Board - 9/13/84)

All Airports - Payments to the Airport Security Council for Services Rendered to Kennedy International, LaGuardia and Newark International Airports

It was reported that in March 1968, the New York State Investigation Commission attributed extensive cargo losses at the metropolitan airports to criminal activity. To remedy the conditions found by the Commission, a coalition of airlines formed the Airport Security Council in 1968. The Council was directed by the airlines to: (a) establish a positive cooperative program to combat and prevent crime and pilferage at the airports in the metropolitan area and (b) coordinate all airline activities in the area of crime prevention and detection.

The Council began functioning in August 1968 as a managerial device of its members. It immediately established programs and procedures to reduce air cargo losses. Some of these programs and procedures include:

Personnel security procedures
Cargo physical facilities security
Procedures for liaison and coordination with law enforcement agencies by airlines
Uniform and central reporting procedures to determine losses
Training program for personnel with security responsibilities
Mandatory airline security programs
Cargo locating and release systems
Establishment of an intelligence bulletin system disseminating data for preventive actions against losses and thefts

During the period from 1969 through 1983, the value of air cargo crime declined by 75%. Cargo losses at the three airports were reduced from $3.7 million in 1969 to under $1.0 million in 1983. This was accomplished despite the fact that the value of air cargo handled during this period increased 600%. In terms of airlines' savings this equates to a 1969 airline loss of 32 cents per $1,000 of cargo handled versus a 1983 airline loss of 1.5 cents per $1,000 of cargo handled. Much of this decline is attributed to the Airport Security Council's administrative and operational programs.

In recent years however, airline support of the Council has declined due to economic reasons. Many of the member airlines have experienced difficulty in providing funds and have withdrawn from the Council. This has lead to financial difficulty for the Council and threatens its very existence.

It is the opinion of staff that the loss of the Airport Security Council would have a negative impact on the Port Authority's position in regard to cargo security. Without the Council's vigilance there would be no strong force within the industry to maintain ongoing cargo security programs.

Under the proposed agreement, the Airport Security Council will maintain a continuing presence at Kennedy International, LaGuardia and Newark International Airports and assist the Port Authority with the development and implementation of various security programs such as crime watch; vest identification, truck parking and bag handling. Additionally, they will participate in the Port Authority air cargo workshops and other promotional activities such as cargo seminars and symposiums as they relate to security at the airports.

It was therefore recommended that the Board authorize the Executive Director to:

1. enter into a one-year agreement with the Airport Security Council whereby the Council will maintain a continuing presence at Kennedy International, LaGuardia and Newark International Airports and assist the Port Authority with promotional activities as they relate to cargo security at the airports at an expenditure which will equal the lesser of $50,000 per year or 25% of the Airport Security Council's budget in each year of the agreement; and

2. exercise three one-year extensions at his discretion.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into a one-year agreement with the Airport Security Council whereby the Council will maintain a continuing presence at Kennedy International, LaGuardia and Newark International Airports and assist the Port Authority with promotional activities as they relate to cargo security at the airports at an expenditure which will equal the lesser of $50,000 per year or 25% of the Airport Security Council's budget in each year of the agreement; and, at his discretion, to exercise three one-year extensions of said agreement; and it is further

RESOLVED, that the form of said agreement be approved by General Counsel or his authorized representative.

Port Authority Bus Terminal - Port Drago Corp. - Supplement to Lease LBT-24

It was reported that the Committee on Operations, at its meeting on December 28, 1950, authorized an amended agreement with the General Shoe Repair Corp. for the operation of a shoe repair and shoe shine store on the Main Concourse of the Bus Terminal. In 1972 this agreement was assigned to the Port Drago Corp. The lessee occupies the 998 square foot store under an agreement which provides for a basic annual rental of $10,000 per year plus a percentage rental of 14% of yearly gross receipts in excess of $71,429. This agreement expired May 31, 1984.

Port Drago has agreed to an extension of its lease through June 30, 1994 and to undertake, at its sole cost and expense, a complete renovation of its store including the installation of new heating, ventilating, air cooling and smoke purge systems, together with a new ceiling and lighting. The work will take approximately one month to complete during which time the lessee will not be obligated to pay a basic rental. Starting June 1, 1984 the lessee will pay an annual basic rental of $20,000 plus 14% of all gross receipts in excess of $142,857 for the first five years of the extended term. Commencing July 1, 1989 and continuing for the five-year balance of the term, the annual basic rental and exemption amount will be escalated in proportion to the increase in the United States Consumer Price Index for All Urban Consumers for April 1989 over the same index for April 1984.

Electricity and hot and cold water will be paid for by the lessee on a metered basis. The Port Authority will provide heat at no additional charge and the lessee will pay for chilled water for air conditioning at the rate of $2.94 per square foot, escalated annually in accordance with changes in the United States Consumer Price Index for All Urban Consumers.

In the event of termination without cause by the Port Authority, the lessee will be reimbursed the lesser of $89,000 or the unamortized portion of the tenant's investment in its new improvements.

It was therefore recommended that the Board authorize the Executive Director on behalf of the Port Authority to enter into an agreement amending the lease with Port Drago Corp. at the Port Authority Bus Terminal in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized on behalf of the Port Authority to enter into an agreement amending the lease with Port Drago Corp. to provide for an extension of the letting of store premises in the Port Authority Bus Terminal effective June 1, 1984 through June 30, 1994, with provision for a one-month construction period free of basic rent, at a guaranteed annual basic rental during the extension at the annual rate of $20,000 plus a percentage rental of 14% of all the tenant's gross receipts in excess of an annual exemption amount of $142,857, with provision for increase in the annual basic rental and the annual exemption amount commencing July 1, 1989 in proportion to the increase in the United States Consumer Price Index for All Urban Consumers for April 1989 over same Index for April 1984, the Port Authority to continue to have the right to terminate the lease on 30 days' prior notice in which event the Port Authority will reimburse the tenant the lesser of $89,000 or the unamortized portion of the tenant's investment in improvements to renovate the premises.

(Board - 9/13/84)

Economic Development Department - Retention of Poppe Tyson, Inc. for Performance of Marketing and Promotional Programs

It was reported that increased economic development activities including projects such as the Elizabeth Industrial Park and regional efforts to attract European and Japanese investors require that comprehensive marketing communications and sales support materials be developed and used. Sales brochures and kits, audio visual presentations, advertising and other collateral promotional and sales materials in connection with the Port Authority's Industrial Development Program have been developed during the past three years, and used in our regional promotional campaigns, such as our joint outreach to medical product manufacturers with the New York City Health & Hospitals Corporation and our participation with the New Jersey Department of Commerce & Economic Development in overseas reverse investment missions; various trade shows; support of direct mail marketing campaigns to targeted industries, and in other cooperative regional promotions, such as use of special supplements in major business publications. As additional economic development activities are undertaken, new promotional materials and market outreach programs must be developed and existing products updated. The professional expertise of a full service promotion and advertising agency with an international network is required to effectively develop and implement an overall communications plan for these activities. The work involved demands a broad range of skills and expertise not available within staff.

The Economic Development Department, in conjunction with the Public Affairs Department, reviewed a number of prescreened small-to-medium size full service agencies, including New York and New Jersey firms, as well as minority owned firms. Six of the agencies were requested to present proposals to a screening committee of Economic Development Department and Public Affairs Department staff. The six agencies were:

Adler, Schwartz, Inc. – Englewood Cliffs, New Jersey
Bozell & Jacobs, Inc. – Union, New Jersey
Gianettino & Meredith, Inc. – Mountainside, New Jersey
Fitzgerald Gardner Company, Inc. – Mountainside, New Jersey
Poppe Tyson, Inc. – New York, New York
Saxton Communication Group, Ltd. – New York, New York

All of the firms submitted a proposal, except Gianettino & Meredith, Inc. Staff evaluated the five proposals and conducted interviews with the agencies which submitted them. Because Poppe Tyson, Inc. was deemed to have the best combination of creative talent, range of experience in media and marketing research, promotion support services and international capability, the agency was determined to be the best qualified to undertake the assignment. Poppe Tyson, Inc. is a division of D'Arcy MacManus Masius, has 46 full service offices in 27 countries and has assured staff that top agency executives will work on this account. It has also provided written assurance that it will utilize good faith efforts to use minority subcontractors to perform at least 10% of the value of the agreement.

(Board - 9/13/84)

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with Poppe Tyson, Inc. for the provision of promotional, marketing and related services in support of Economic Development Department programs for a period of three years commencing October 15, 1984, in an amount not to exceed a total of $1.5 million, including all fees, out-of-pocket expenses and reimbursement of payments made to vendors and publications.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to enter into an agreement with Poppe Tyson, Inc. for the provision of promotional, marketing and related services in support of Economic Development Department programs for a period of three years commencing October 15, 1984, in an amount not to exceed a total of $1.5 million, including all fees, out-of-pocket expenses and reimbursement of payments made to vendors and publications; said agreement to be subject to approval as to form by General Counsel or his designated representative.

Whereupon, the meeting was adjourned.

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Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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Thursday, October 11, 1984

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, October 11, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Robert F. Wagner, Vice-Chairman
Jerry Fitzgerald English	James G. Hellmuth
Robert V. Van Fossan	John G. McGoldrick
Philip D. Kaltenbacher	Howard Schulman
Henry F. Henderson, Jr.	

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel/Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Robert F. Bennett, Assistant Executive Director/Chief Financial Officer
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Assistant Executive Director/Director of Public Affairs
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
Jeffrey S. Green, Chief, Finance Division, Law
James J. Kelly, Acting Assistant Director, Management Information Services Department
Philip LaRocco, Director, Economic Development Department
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Katharine B. MacKay, Assistant Executive Director/Director of State Relations
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Assistant Chief Financial Officer
Rino M. Monti, Director of Engineering/Chief Engineer
Edward J. O'Malley, Director of Personnel
Martin E. Robins, Director of Planning and Development
Victor T. Strom, Director of Public Safety
Anthony J. Tozzoli, Port Director
Guy F. Tozzoli, Director of World Trade
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Director, Finance Department/Comptroller
Marvin Weiss, Director, Office of Minority Business Development
Marshal L. Wilcox, Jr., Treasurer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs
Gerard Fernandez, Jr., Bond Counsel, Hawkins, Delafield & Wood
Donald J. Robinson, Bond Counsel, Hawkins, Delafield & Wood

The meeting was called to order by the Chairman.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on October 11, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on October 11, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on October 11, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on October 11, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

(Board - 10/11/84)

Waterfront Development Program - Hunters Point, Queens, New York - Retention of Expert Appraisal Services

It was reported that at its meeting on December 8, 1983, the Board authorized the Executive Director to undertake all necessary planning for mixed-use waterfront development projects in Hoboken, New Jersey and Hunters Point, Queens, New York. Work under that authorization is well under way for each site, including consultant-assisted physical planning and environmental analyses.

For the Hunters Point site, comprising 92 acres, work has progressed to the point where it is now necessary to determine the current fair market value of each of the properties located within the Hunters Point Waterfront Development site boundaries.

Discussions have been held with a number of qualified real estate fee appraisers, following which proposals were requested from and submitted by two firms deemed by staff to be most qualified to provide these services. Mr. Jerome Haims of Jerome Haims Realty, Inc., New York, New York, is a certified MAI (Member of the American Institute of Real Estate Appraisers), has had more than 30 years extensive experience in appraisals, both for private and governmental entities, and has testified in many court procedures including condemnation proceedings. Mr. Haims has been retained by the City and the State of New York as well as the Port Authority in the past. Mr. Roger M. Darby of Roger M. Darby & Associates, Inc., of New York, New York, is an MAI, and a certified AICP (Member of the American Institute of Certified Planners). Darby & Associates is a minority business enterprise. Mr. Darby has been an appraiser for more than 27 years and has also performed appraisals for the City and State of New York. Mr. Darby also has had ample experience in judicial and administrative hearings relating to tax and condemnation proceedings.

Both fee appraisers in their proposals have advised that their valuations of some of the improvements within the Hunters Point site will require professional architectural, machinery and engineering services and soils analysis information. Staff has interviewed experts in these professions but formal proposals for these services cannot at this time be solicited since the cost of the services will depend on availability of building plans and access to the premises as well as the preliminary work of the appraisers and the availability of Port Authority Engineering Department staff.

On the basis of the above, retention of these two real estate fee appraisers to perform separate and independent estimates of the value of all the separate parcels of land and improvements is desirable and necessary. Subject to approval by General Counsel, the Port Authority will enter into agreements with the two real estate appraisers at a total estimated cost of $200,000.

Performance of the above services is necessary and desirable in order for the Port Authority to maintain its schedule of activities in progressing the Hunters Point Waterfront Development.

(Board - 10/11/84)

It was therefore recommended that the Board authorize:

1. the Executive Director to enter into agreements with Jerome Haims and Roger Darby to provide real estate fee appraisal services to ascertain the current fair market value of properties within the Hunters Point Waterfront Development site, the aggregate cost of these services on the basis of preliminary proposals that have been received, is roughly estimated at $200,000; and

2. an increase in the 1984 Budget of $60,000 to accomplish the work authorized herein.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into agreements with Jerome Haims and Roger Darby to provide real estate fee appraisal services to ascertain the current fair market value of properties within the Hunters Point Waterfront Development site, the aggregate cost of these services on the basis of preliminary proposals that have been received, is roughly estimated at $200,000; and it is further

RESOLVED, that the 1984 Budget be and is hereby increased by $60,000 to accomplish the work authorized herein; and it is further

RESOLVED, that the form of said agreements be approved by General Counsel or his authorized representative.

(Board - 10/11/84)

Lincoln Tunnel - Satellite Vehicle Storage & Maintenance Facility Contract LT-110.042 - Award

It was reported that on October 13, 1983 the Board authorized the construction of a Vehicle Storage and Maintenance Satellite Facility for the Lincoln Tunnel at an estimated total expenditure of $1 million. Contract LT-110.042 provides for the construction of a satellite vehicle storage and maintenance facility, parking lot and recreational facilities in the vicinity of the New Jersey southern approach to the Lincoln Tunnel.

In addition, the contract provides that maintenance of traffic and work area protection is to be performed on a net cost basis, in an amount roughly estimated at $10,000.

In accordance with the policy adopted by the Board at its meetings on August 27, 1980 and June 14, 1984, the contract includes a provision requiring the bidder to use every good faith effort to meet the goal for Minority Business Enterprise participation of 10% for firms owned and controlled by minorities and of 1% for firms owned and controlled by women.

The contract was publicly advertised and on September 13, 1984, the following bids were received:

	Classified Work	Unclassified Work	Estimated Total Amount
Tri-Pod Construction Company, Inc. Franklin Lakes, NJ	$28,900	$1,071,928	$1,100,828
C. Raimondo & Sons Construction Co. Fort Lee, NJ	53,150	1,477,000	1,530,150
T. Moriarty & Son, Inc. Brooklyn, NY	25,500	1,570,000	1,595,500
Acme Skillman Construction Co., Inc. Maspeth, NY	$87,500	$1,896,311	$1,983,811
CONSULTANT'S ESTIMATE			$ 834,000

Tri-Pod Construction Company, Inc. submitted the lowest bid and was determined by the Chief Engineer to be qualified to perform the contract.

The award of the contract to Tri-Pod Construction Company, Inc. will require an increase in the total estimated project expenditure from $1 million to $1,636,000.

It was therefore recommended that the Board authorize:

1. the Executive Director to award Contract LT-110.042, Satellite Vehicle Storage & Maintenance Facility, Lincoln Tunnel, to Tri-Pod Construction Company, Inc. in the total estimated amount of $1,100,828 and to order extra work up to the amount of $111,000; and

2. an increase in the total estimated project expenditure from $1 million to $1,636,000, including payments to contractors, an allowance for extra work, and engineering, administrative and financing expenses.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to award Contract LT-110.042, Satellite Vehicle Storage & Maintenance Facility, Lincoln Tunnel, to Tri-Pod Construction Company, Inc., in the estimated total amount of $1,100,828, to order extra work up to the amount of $111,000 and to order net cost work in an amount roughly estimated at $10,000; and it is further

RESOLVED, that an increase is authorized in the estimated total project expenditure from $1 million to $1,636,000, including payments to contractors, an allowance for extra work, and engineering, administrative and financing expenses.

Exercise of Option to Lease Additional Space - Jersey Plaza Building - Jersey City, New Jersey

It was reported that the Board, at its meeting on August 9, 1984, authorized the Executive Director to execute a lease agreement with Trends Urban Renewal Association Limited for approximately 152,000 rentable square feet of space in the Jersey Plaza Building. This space was needed because there were a number of Port Authority operating and field units with approximately 230 staff members that required relocation from their present facilities.

The Port Authority was interested from the outset of negotiations in leasing additional space in the Jersey Plaza Building. As a result, the original lease agreement contained a clause giving the Port Authority an option to lease approximately 36,500 square feet of additional rentable space at the original rental rate of $7.30 per square foot if the option was exercised by March 31, 1985. It was felt that this additional space would permit new staff to be added to The World Trade Center by allowing for the relocation of approximately 200 other engineering staff from The World Trade Center to the Jersey Plaza Building. The total Port Authority presence in The World Trade Center would thus remain unchanged. The need for new staff to advance key programs and concentrate on organizational priorities requires that this option be exercised now.

Exercise of this option would be based upon the same terms and conditions as stipulated in the original lease agreement. Thus, the lease of this space will be for the same period as the original lease agreement (15 years) plus a Port Authority option for two ten-year extensions, for a maximum lease period of 35 years, at a basic annual rate of $7.30 per square foot, subject to a previously agreed to escalation formula, plus additional annual charges initially set at $.91 per square foot for tax payments, and an estimated $2 per square foot for utilities, bringing first year costs for this additional space to $372,665.

The rental of this additional space will bring total Port Authority occupancy in the Jersey Plaza Building, when combined with the 152,000 square feet previously authorized, to 188,500 square feet of which 177,500 are usable and 11,000 are for the Port Authority's proportional share of equipment rooms and common areas. The Jersey Plaza Building has a total rentable area of approximately 296,000 square feet on three floors. Thus, the Port Authority's share of the total building area is 63.7%, a figure which will be used to determine the Port Authority's actual share of costs for utilities such as gas and water, and for taxes.

Renovations will be undertaken in order to conform this additional space so that it meets Port Authority office standard requirements. In addition, a small portion of space previously authorized totaling 9,155 square feet, for a mezzanine which will be built for the Port Authority by the owner at a one-time cost of $238,000 to the Port Authority but which will be rent-free thereafter, will also be renovated. These renovations include the erection of office walls, conference rooms and the provision of electrical services. Trends Urban Renewal Association Limited, or an appropriate contractor, will provide all engineering services, including design and construction, to carry out these needed modifications.

Under the original lease agreement, the owners of the Jersey Plaza Building are providing 330 parking spaces to the Port Authority. In exercising this option for additional space, the landlord will provide, at his own expense, to the Port Authority areas for an additional 200 parking spaces, bringing total parking facilities for exclusive Port Authority use to 530 spaces. The cost of initial preparation of any new unimproved parking facility, including paving, lighting, fencing and drainage, will be the responsibility of the Port Authority. Further, security, maintenance and operation of the parking facility also will be a Port Authority responsibility. Costs for the renovation of the additional space to meet Port Authority office standards and for the initial preparation of any new unimproved parking facility are estimated at approximately $1,467,000.

To carry out this relocation, a professional moving firm will be required. In addition, the purchase of equipment, office furniture and furnishings and the provision of telephone services are also needed. Total estimated costs for these items are approximately $1,970,000.

It is expected that this additional space will be available for occupancy on or about April 1, 1985.

It was therefore recommended that the Board authorize the Executive Director to:

1. exercise an option in the lease agreement with Trends Urban Renewal Association Limited to lease approximately 36,500 additional rentable square feet of space in the Jersey Plaza Building, 241 Erie Street, Jersey City, New Jersey, for occupancy by various Port Authority engineering units at an existing annual lease rate of $7.30 per square foot, subject to the existing escalation formula; additional annual charges initially set at $.91 per square foot for tax payments which the owner will make, and an estimated $2 per square foot for utilities will also result from the additional 36,500 square feet, bringing total first year costs for this additional space to $372,665;

2. enter into a contract with the owners or with contractors to provide for modifications of the additional rented area and a small portion of the space previously authorized for lease to make them suitable for office space needs and for the preparation of additional parking facilities at an estimated cost of approximately $1,467,000 including administrative, engineering and financial costs; and

3. incur expenses of approximately $1,970,000 for office equipment, furniture and furnishings, the provision of telephone services and moving and relocation expenses.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to exercise an option in the lease agreement with Trends Urban Renewal Association Limited to lease approximately 36,500 additional rentable square feet of space in the Jersey Plaza Building, 241 Erie Street, Jersey City, New Jersey, for occupancy by various Port Authority engineering units at an existing annual lease rate of $7.30 per square foot, subject to the existing escalation formula; additional annual charges initially set at $.91 per square foot for tax payments which the owner will make, and an estimated $2 per square foot for utilities will also result from the additional 36,500 square feet, bringing total first year costs for this additional space to $372,665; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to enter into a contract with the owners or with contractors to provide for modifications of the additional rented area and a small portion of the space previously authorized for lease to make them suitable for office space needs and for the preparation of additional parking facilities at an estimated cost of approximately $1,467,000 including administrative, engineering and financial costs; and it is further

(Board - 10/11/84)

RESOLVED, that the Executive Director be and he hereby is authorized to incur expenses of approximately $1,970,000 for office equipment, furniture and furnishings, the provision of telephone services and moving and relocation expenses; and it is further

RESOLVED, that all documents required to consummate the aforesaid transaction be subject to approval as to form by General Counsel or his authorized respresentative.

(Board - 10/11/84)

The World Trade Department - The Teleport - Contract TP-110.013 - The Telecenter Building - Authorization to Award

It was reported that Contract TP-110.013 provides for the erection of a two-story building of approximately 56,000 square feet and for certain work associated with the completion of the radio frequency interference shield and related site work at The Teleport, approximately 31,000 square feet to be occupied by Teleport Communications as a control center area for equipment and personnel to operate and maintain the various communications services of The Teleport, approximately 6,000 square feet to be occupied by the Port Authority for operations and maintenance equipment and personnel required to operate the office park, and the remaining approximately 19,000 feet to be leased to others. In accordance with the policy adopted by the Board at its meetings on August 27, 1980 and June 14, 1984, the contract includes a provision requiring the bidder to use every good faith effort to meet a goal of Minority Business Enterprise participation of 10% for firms owned and controlled by minorities and 1% for firms owned and controlled by women.

Proposals will be solicited from a list of approximately 30 contractors and are tentatively scheduled to be opened on or about November 7, 1984.

Board authorization of the award of Contract TP-110.013 is being requested at this time in order to proceed with construction at the earliest possible date.

It was therefore recommended that the Board authorize the Executive Director either to award Contract TP-110.013, the Telecenter Building, The Teleport, to the contractor submitting the lowest proposal, who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose proposal price the Executive Director deems reasonable and to order extra work up to the amount of 10% of the amount of the proposal accepted, or to reject all proposals.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized either to award Contract TP-110.013, the Telecenter Building, The Teleport, to the contractor submitting the lowest proposal, who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose proposal price the Executive Director deems reasonable and to order extra work up to the amount of 10% of the amount of the proposal accepted, or to reject all proposals.

(Board - 10/11/84)

The World Trade Center - Furnishing of Roll Toilet Tissue - Contract PSE-405 - Award

It was reported that roll toilet tissue is currently being furnished at The World Trade Center by Clark Bros. Industries, Inc. under Contract PSE-269-A, Section B. The contract expired August 31, 1984.

Proposals on a new two-year contract were solicited from 39 qualified contractors and on July 6 and July 7, 1984 bids were publicly advertised. The contract requires the contractor to furnish approximately 460,000 rolls of toilet tissue per year for a two-year period. The contract stipulates that the contractor supply an 1,800 sheet roll, and indicates that for purposes of determining the low bid, the estimated price resulting from any bid based on 1,500 sheet rolls would be adjusted upward by an amount equivalent to $120,000 to factor in increased labor costs which would be incurred by the Port Authority as a result of the use of such rolls. No factor was included for the increased number of rolls that would be required to fulfill projected requirements if 1,500 sheet rolls were used.

Proposals for Contract PSE-405 for the furnishing of roll toilet tissue at The World Trade Center were opened and read on July 27, 1984. The following bids, adjusted where applicable, were received:

Name of Bidder	Price Per Roll	Estimated Price (Two Years)
*Georgia Pacific Corporation Darien, CT	$.42 - 1st yr. $.4383 - 2nd yr.	$514,818
*Monmouth Paper Company New Brunswick, NJ	$.41916 - 1st yr. $.44011 - 2nd yr.	$515,264
San-Aid Co., Inc. Long Island City, NY	$.5541666 - 1st yr. $.5735416 - 2nd yr.	$518,745
Clark Bros. Industries, Inc. New York, NY	$.576	$529,920
*Paper Enterprises Bronx, NY	$.436 - 1st yr. $.462 - 2nd yr.	$533,080
A.E. Macadam & Co. Melville, NY	$.58515624 - 1st yr. $.60563124 - 2nd yr.	$547,762

*bid based on 1,500 sheet roll

(Board - 10/11/84)

Further analysis indicates that in addition to the increased labor costs which would result from the use of 1,500 sheet rolls, the Port Authority would be required to purchase 92,000 more rolls to fulfill its projected requirements than would be required if 1,800 sheet rolls were used. Based on the price per roll quoted by the bidders, and on projected requirements, acceptance of a bid based on 1,500 sheet rolls would increase the respective estimated price of the three bidders whose bids were based on a 1,500 sheet roll by the following amounts:

Georgia Pacific Corporation	$78,963
Monmouth Paper Company	79,052
Paper Enterprises	82,616

It is therefore deemed to be in the best interests of the Port Authority to award the contract to San-Aid Co., Inc.

In addition to the proposals listed above, seven other bids, ranging between $420,670 and $499,790, were submitted. However, the product these bidders proposed to furnish, were tested by the United States Testing Company of Hoboken, New Jersey and it was determined that the product did not meet the minimum average base weight requirements of the contract. These proposals were therefore determined to be unresponsive.

It was therefore recommended to the Board that the Board authorize the Executive Director to award Contract PSE-405 to San-Aid Co., Inc.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Executive Director to award Contract PSE-405, Furnishing of Roll Toilet Tissue at The World Trade Center to San-Aid Co., Inc. for a period commencing on or about October 1, 1984 and expiring August 31, 1986, subject to earlier termination, at any time, without cause, on thirty days' notice, at its bid price of $.5541666 per roll for the first year and $.5735416 per roll for the second year, resulting in an estimated price for the two-year term of $518,745, based on projected requirements; and it is further

RESOLVED, that the Secretary be and she hereby is directed to file a copy of the bid on Contract PSE-405 now before the meeting as part of the official records of the Port Authority; and it is further

RESOLVED, that the form of the agreement be subject to the approval of General Counsel or his designated representative.

(Board - 10/11/84)

The World Trade Center - New York State Space - Lease with Dean Witter Reynolds, Inc.

It was reported that subject to approval by the Board, staff has reached agreement with Dean Witter Reynolds, Inc. for the leasing of 21 floors currently occupied by New York State. The floors included in this lease are between floors 43 and 74 in Two World Trade Center and would comprise most of the floors in that building's middle zone, with the balance to be leased to others. Dean Witter would take over these floors generally following move-out by the State agencies, with 19 of the floors to be vacated beginning in early 1985 and extending through 1987; the two additional floors would be added when the State vacates in 1991.

For the 19 floors to be delivered between 1985 and 1987, the rental rate for years 1-15 following the commencement of rental would be $31 per rentable square foot per year; the rent for years 16-20 would be $52.45 per rentable square foot per year; for years 21-25, $57.85 per rentable square foot per year; for years 26-30, $63.25 per rentable square foot per year. Dean Witter may elect to limit the firm term of the lease following the commencement of rental to 20 years at the rents specified above, with options to extend for five additional periods of five years each, at fair market rents. In order to allow Dean Witter Reynolds, Inc. to completely rebuild the floors, the rent would commence six months after the commencement of the term based on delivery of each floor, except for six "special floors" (e.g. trading operations, cafeteria, executive floors) on which rent would commence eight months after delivery. The term of the lease would commence after the first floor is turned over to Dean Witter. The lease may provide for a reduction of rental the first five years with a corresponding increase in later years plus interest at 13½% per year.

The State contemplates vacating floors 57 and 58 early in 1991 and Dean Witter Reynolds would be obligated to take them at that time. The rent for these floors will be (1) for the balance of the initial 15 years, $40 per rentable square foot per year or (2) the then current rental rate including operating and tax escalation for the initial floors, whichever is higher; for years 16-20 the rate will be (1) $60 per rentable square foot per year or (2) the then current rental including operating and tax escalation rate for the other floors whichever is higher; for years 21-30, the rent would be the then current rental rate of the initial 19 floors including operating and tax escalation.

In addition, Dean Witter Reynolds, Inc. would have an option to include under the lease floors 70, 71 and 72 which are now subleased by the Fund to American Telephone and Telegraph Company (AT&T) at the expiration of that lease in 1993. If Dean Witter Reynolds, Inc. exercises this option, the rent for these three floors through the 15th year of rental payment for the initial premises would be the fair market value of the space; for years 16 through 20 the rent would be 121% of the initial fixed rent for these three floors plus accrued operating and tax escalation applicable to the former AT&T space. Thereafter, if the tenant has elected a 20-year term with renewal rights, the rental for this space will be fair market rental; if it has elected a 30-year term the rental would be the same thereafter as it is with respect to the initial premises. If Dean Witter elects, the lease would obligate them to take these floors at the expiration of the AT&T lease at the then current rental of the initial floors, including operating and tax escalation.

Dean Witter Reynolds, Inc. would receive an allowance toward the cost of reconstructing the space including space now occupied by AT&T if included in the premises at $33.85 per rentable square foot for each floor. The lease may provide for reimbursement of finishing costs in excess of $33.85 per square foot, to be repaid by the tenant over the term of the lease with interest at 13½% per year.

All the rents are exclusive of charges for cleaning; Dean Witter will also pay the cost of electricity at Consolidated Edison's rates or 115% of the Power Authority of the State of New York rates, whichever is lower.

In addition, Dean Witter Reynolds, Inc. will pay additional costs for their pro-rata share of the increase in World Trade Center operating expenses for each year above the calendar year 1985 and the increases in the in-lieu-of taxes payment to the City of New York. If The World Trade Center is sold, Dean Witter Reynolds, Inc. would be protected from the major initial real estate tax increase resulting from the sale.

In order to accomplish its objective of consolidation of the Dean Witter Reynolds, Inc. headquarters activities, at their request, the Port Authority would agree to cancel leases, in whole or part at the tenant's option; currently in effect for space in One, Two and Five World Trade Center leased directly from the Port Authority amounting to approximately 300,000 square feet of office space. However, in the alternative, Dean Witter Reynolds, Inc. would have the right to extend any of these leases at the then current market rentals.

Dean Witter Reynolds, Inc. has developed its timetable for moving into the initial 19 State floors as a result of a number of considerations including their expansion needs, the State of New York's move-out schedule at the initial discussions in early 1984, and their lease expirations in other buildings. Principally because of changes in the State's move-out schedule, it is likely that some of the State agencies may need to be relocated within The World Trade Center, prior to locating in new permanent locations with the Port Authority not being responsible for such relocation costs or other attended penalties.

There will be real estate broker commissions payable on this transaction not to exceed the schedule authorized by the Board at its August 1977 meeting.

In accordance with the Agreement creating the Fund, the costs and expenses of arranging the lease and the operating and maintenance costs related to the leased area will be for the account of the Fund.

It was therefore recommended that the Board authorize a lease with Dean Witter Reynolds, Inc. in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Executive Director for the Port Authority on behalf of the Fund for Regional Development, to enter into a lease with Dean Witter Reynolds, Inc. for 21 floors in Two World Trade Center currently occupied by the State of New York amounting to approximately 860,000 square feet, in accordance with the foregoing; the form of the lease to be subject to the approval of General Counsel or his designated representative.

(Board - 10/11/84)

Kennedy International Airport - Parking Lot for Building 110 Tenants - Supplemental Agreement to Contract JFK-462 - International Arrivals Building - Ramp Paving

It was reported that at its meeting on November 10, 1982, the Board authorized the Executive Director to enter into an agreement with the New York State Department of Transportation to participate in project costs for construction of the Nassau Expressway as it affects the boundaries of Kennedy International Airport, the Port Authority's apportioned share not to exceed $33 million. In order to provide for an on-airport access feeder roadway, the parking facilities for the tenants of Building 110 are to be eliminated. These tenants, Sky Del, Inc., Ogden Foods Travel Services, Inc. and Triangle Aviation Services, Inc., rely on parking facilities for their everyday business and have provisions for vehicular parking in their lease agreements. It is, therefore, incumbent on the Port Authority to provide other parking facilities prior to surrender by the tenants of portions of their leasehold on or about November 1, 1984.

To expedite the completion of construction of the new parking lot in time for the start of the Nassau Expressway access road improvement project, staff solicited proposals from paving contractors currently doing work for the Port Authority. On August 23, 1984, the following proposals were received:

Anthony Grace & Sons, Inc. Whitestone, New York	$339,000
Edenwald Contracting Co., Inc. Whitestone, New York	348,000
Willets Point Construction Corp. Corona, New York	349,600
Cardet Construction Co., Inc. Hicksville, New York	354,000
All-Boro Paving Corp. Flushing, New York	372,000
ENGINEER'S ESTIMATE	$332,000

Inasmuch as Anthony Grace & Sons, Inc., who submitted the low proposal, is qualified and has the capacity to do the work in the alloted time, the Executive Director authorized the entering into a Supplemental Agreement to Contract JFK-462 with Anthony Grace & Sons, Inc., the contractor under said Contract JFK-462. Approval is therefore requested of the action of the Executive Director authorizing the Director of Aviation to enter into said Supplemental Agreement as well as authorizing the Director of Aviation to order extra work up to the amount of $34,000.

(Board - 10/11/84)

It was therefore recommended that the Board approve the action of the Executive Director authorizing the Director of Aviation to enter into a Supplemental Agreement to Contract JFK-462, International Arrivals Building, Ramp Paving, for the construction of a new parking lot south of Building 89 for the tenants of Building 110 at Kennedy International Airport, with Anthony Grace & Sons, Inc. at a price of $339,000 as well as authorizing the Director of Aviation to order extra work up to the amount of $34,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board approves the action of the Executive Director authorizing the Director of Aviation to enter into a Supplemental Agreement to Contract JFK-462, International Arrivals Building, Ramp Paving, for the construction of a new parking lot south of Building 89 for the tenants of Building 110 at Kennedy International Airport, with Anthony Grace & Sons, Inc. at a price of $339,000 as well as authorizing the Director of Aviation to order extra work up to the amount of $34,000; and it is further

RESOLVED, that the form of said Agreement be approved by General Counsel or his authorized representative.

(Board - 10/11/84)

Kennedy International Airport - Supplemental Agreement to Contract JFK-458 - Central Terminal Area Roadway Improvements and Expansion of Parking Lot No. 5

It was reported that at its meeting on September 13, 1984, the Board authorized the Executive Director to award Contract JFK-458, Central Terminal Area Roadway Improvements and Expansion of Parking Lot No. 5 to Anthony Grace & Sons, Inc., at its bid price in the estimated amount of $1,783,000, to increase the parking capacity of Parking Lot No. 5, reconstruct roadways, install new lighting, new automated entrance and exit lanes, new sign bridges and make repairs to high temperature hot water line trenches required as a result of construction.

Sections of the high temperature hot water line, Zone No. 1, supplying heat to tenants in the International Arrivals Building were discovered to have deteriorated beyond repair and the Engineering Department recommended replacement of these sections and prepurchased the specialty pipe. With the onset of the heating season, staff solicited six proposals from contractors who have previously done work for the Port Authority and on September 11, 1984, the following proposals were received:

Anthony Grace & Sons, Inc. Whitestone, New York	$274,000
Taggart Associates Corp. Long Island City, New York	284,600
V.P.H. Mechanical Corp. Jamaica, New York	314,640
Edenwald Contracting Co., Inc. Whitestone, New York	335,000
Willets Point Contracting Corp. Corona, New York	340,000
Lansing Construction Corp. Jamaica, New York	379,679
ENGINEER'S ESTIMATE	$267,000

Inasmuch as Anthony Grace & Sons, Inc., who submitted the low proposal, is qualified and has the capability to do the work in an expeditious manner, the Executive Director authorized the entering into of a Supplemental Agreement to Contract JFK-458 at its price of $274,000 and authorized the Director of Aviation to order extra work under the Supplemental Agreement up to the amount of $60,000. Approval is therefore requested of the action of the Executive Director authorizing the Director of Aviation to enter into a Supplemental Agreement as well as authorizing the Director of Aviation to order such extra work.

(Board - 10/11/84)

It was therefore recommended that the Board approve the action of the Executive Director in authorizing the Director of Aviation to enter into a Supplemental Agreement to Contract JFK-458, Central Terminal Area Roadway Improvements and Expansion of Parking Lot No. 5, for the repair of the high temperature hot water line, Zone No. 1 in the Central Terminal Area, with Anthony Grace & Sons, Inc., at a price of $274,000, as well as authorizing the Director of Aviation to order extra work under the Supplemental Agreement up to the amount of $60,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board approves the action of the Executive Director in authorizing the Director of Aviation to enter into a Supplemental Agreement to Contract JFK-458, Central Terminal Area Roadway Improvements and Expansion of Parking Lot No. 5, for the repair of the high temperature hot water line, Zone No. 1 in the Central Terminal Area, with Anthony Grace & Sons, Inc., at a price of $274,000, as well as authorizing the Director of Aviation to order extra work under the Supplemental Agreement up to the amount of $60,000.

(Board - 10/11/84)

Trans-Brooklyn Freight Movement Study

It was reported that the study will include:

1. a comprehensive evaluation of the problems affecting through-freight movements into and out of Brooklyn;

2. the effects of these freight movement problems on the economy of Brooklyn; and

3. identification of various courses of action to address these problems.

Total funding for the study will be $300,000, with the Port Authority's share to be $150,000, which is to be matched by $22,500 from the New York State Department of Transportation and $127,500 from the Federal Highway Administration. The Port Authority will provide first-instance funds as necessary to conduct the study in a timely fashion. The Federal Highway Administration funds will be provided through the New York Metropolitan Transportation Council to the New York State Department of Transportation, and made available, pursuant to the proposed agreement between the New York State Department of Transportation and the Port Authority, for reimbursement of first-instance funds advanced by the Port Authority.

Total employment in Brooklyn declined from 495,000 to 355,000 between 1970 and 1982, a decrease of 28%. During this period, manufacturing jobs in the borough declined from 191,000 to 93,000, a loss of over 50%. A lack of adequate transportation access to the major industrial centers and potential industrial sites in Brooklyn may have been a contributing factor to this decline. It is important to determine whether this job-base erosion could be stabilized, and even reversed, if the borough's freight transportation problems are fully addressed and remedial measures implemented.

Brooklyn has a relatively abundant supply of unutilized or underutilized land which once supported transportation-dependent businesses and could support new or expanded industrial activity. However, firms which might otherwise find these sites attractive are apparently being dissuaded because of poor access to regional markets and from warehousing facilities. The only existing limited access commercial route linking Brooklyn with the warehousing complex in Central New Jersey and with Queens and Long Island to the east is along the heavily-congested Brooklyn-Queens Expressway and the Long Island Expressway. Long delays are commonplace during much of the normal working day on both of these routes.

For example, a 40-mile per hour truck trip between the Brooklyn side of the Narrows Bridge and Kennedy International Airport, a straight line distance of less than 13 miles, would take about 20 minutes. Yet it requires a circuitous routing of nearly twice that length, which is marked by unreliable traffic flows, so that elapsed travel times frequently reach 1½ hours. With current costs to operate large trucks in the port district exceeding $50 per hour, congestion-caused delays increase the costs of conducting business in Brooklyn. This appears to hinder both industrial retention and investment in Brooklyn's underdeveloped areas, such as East New York.

Management of the study will be the responsibility of the Freight Services Improvement Conference, a cooperative venture of the Departments of Transportation of the States of New York and New Jersey and the Port Authority. The effort will focus upon the development of a range of transportation strategies aimed at improving the competitiveness of Brooklyn as a business location for existing firms as well as for other companies which could be attracted to the borough. Thus the study will concentrate on specific transportation improvements which could help to preserve the existing job base and maximize the potential for expanding Brooklyn's economic vitality.

Proposals will be solicited for the performance of professional services for the study in cooperation with the New York State Department of Transportation. The Port Authority will enter into and supervise the performance of any professional services agreements required. A Steering Committee, to be comprised of one representative from each of the following agencies, will provide overall guidance for the study:

New York State Department of Transportation
The Port Authority of New York and New Jersey
New York City Department of Transportation
New York City Department of City Planning
Metropolitan Transportation Authority
Brooklyn Borough President's Office

It was therefore recommended that the Board authorize the Executive Director:

1. to enter into an agreement with the New York State Department of Transportation to participate in a Trans-Brooklyn Freight Movement Study at a cost of $150,000, consisting of staff costs and amounts to be paid for professional services in connection with the study; and

2. to solicit proposals from firms for the provision of professional services in connection with the study, and to enter into an agreement or agreements with one or more firms which are deemed qualified by reason of responsibility, experience and capacity to perform such services and whose proposed prices are deemed reasonable.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized:

1. to enter into an agreement with the New York State Department of Transportation to participate in a Trans-Brooklyn Freight Movement Study at a cost of $150,000, consisting of staff costs and amounts to be paid for professional services in connection with the study, such agreement to be subject to approval as to form by General Counsel or his designated representative; and

2. to solicit proposals from firms for the provision of professional services in connection with the study, and to enter into an agreement or agreements with one or more firms which are deemed qualified by reason of responsibility, experience and capacity to perform such services, and whose proposed prices are deemed reasonable, such agreement or agreements to be subject to approval as to form by General Counsel or his designated representative.

(Board - 10/11/84)

Port Authority Bonds and Notes: Payment for Lost or Destroyed Coupons

It was reported that, at its meeting on December 22, 1932, the Board adopted a resolution (appearing on page 244 of the Official Minutes of that date, and often referred to as General and Standing Resolution No. 27) concerning the replacement of lost or destroyed bonds and/or coupons. The resolution authorized the General Manager (now the Executive Director) to arrange for the replacement of lost or destroyed bonds and/or coupons provided that he is satisfied that the bonds and/or coupons have in fact been lost or destroyed, that the person requesting the issuance of new bonds and/or coupons is the true owner of said lost or destroyed bonds and/or coupons, and that the Port Authority is secured by a surety bond in an amount at least equal to 200% of the face value of such bonds and/or coupons, or in the event that the owner of such lost or destroyed bonds and/or coupons is a responsible bank or banking institution, by an indemnity agreement signed by such bank or banking institution. As a general matter, consistent with provisions of the resolutions establishing various series of the Authority's bonds and notes, upon the submission of the appropriate documents in connection with a request for replacement of lost coupons which have become due, Port Authority Paying Agents have been authorized to pay the value of such coupons without their physical presentation rather than requiring the replacement of the coupons prior to payment.

In view of the high costs which may be incurred by bondholders in connection with the submission of documents in form completely satisfying the requirements of General and Standing Resolution No. 27 for payment of lost or destroyed coupons without their physical presentation, as well as the delays occasioned by multiple submissions in connection with the same request and the consequent burdens placed on such bondholders, often exceeding the value of the coupons to be paid, it was recommended that the Executive Director be permitted, in his discretion, to waive the provisions of General and Standing Resolution No. 27 and approve payment, without prior physical presentation, of lost or destroyed coupons appertaining to Port Authority bonds or notes when such coupons have become due for payment and when the cumulative value of such lost or destroyed coupons involved in a single incidence of loss or destruction is not in excess of $500.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

RESOLVED, that the resolution of December 22, 1932 (appearing on page 244 of the Official Minutes of that date) entitled "Financing: Lost Bonds and/or Coupons" be and it is hereby supplemented to include the second Resolved below and to read as follows:

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, to arrange for the preparation, signature and issuance of bonds and/or coupons to replace bonds and/or coupons which may be lost or destroyed, provided, that he is satisfied that such bonds and/or coupons have in fact been lost or destroyed, and that the persons requesting the issuance of new bonds and/or coupons are the true owners of those lost or destroyed, and provided, further, that the Port Authority shall, in each case, be secured against loss or liability by a surety company bond in an amount at least equal to 200% of the face value of such bonds and/or coupons, or in the event that the owner of such bonds and/or coupons is a responsible bank or banking institution, by an indemnity agreement signed by such bank or banking institution; and it is further

(Board - 10/11/84)

RESOLVED, that the Executive Director be and he hereby is authorized, in his discretion, to waive the foregoing provisions of this resolution and to approve payment, without prior physical presentation, of lost or destroyed coupons appertaining to Port Authority bonds or notes when such coupons have become due for payment and when the cumulative value of such coupons involved in a single incidence of loss or destruction is not in excess of $500.

(Board - 10/11/84)

Recision and Cancellation of Resolutions Authorizing Consolidated Bonds, Fifty-third Series, Due 2018 and Consolidated Bonds, Fifty-fourth Series, Due 2019

It was recalled to the Board that the Board, at its meeting on October 14, 1982, established Consolidated Bonds, Fifty-second Series, Due 2018, Consolidated Bonds, Fifty-third Series, Due 2018 and Consolidated Bonds, Fifty-fourth Series, Due 2019, and, in each case, authorized the issuance and sale of a $150 million First Installment of each of such Series at any time on or before October 15, 1984. These authorizations were amended on June 9, 1983.

It was reported that the Committee on Finance, at its meeting on May 30, 1984, in conformity with the resolutions establishing and authorizing the issuance and sale of Consolidated Bonds, Fifty-first Series, Due 2018, previously authorized by the Board at its meeting of October 29, 1980 (subsequently revised on October 28, 1981, May 13, 1982 and October 14, 1982), rescinded and cancelled such Series of Consolidated Bonds. Additionally, the Committee renumbered Consolidated Bonds, Fifty-second Series, Due 2018, authorized by the Board on October 14, 1982, to be known as Consolidated Bonds, Fifty-first Series, Due 2019, and sold $100 million of such Bonds bearing interest at a rate of 11% per annum.

It was also reported that planning for future capital expenditures indicates that no part of the presently authorized Consolidated Bonds, Fifty-third Series, Due 2018, and Consolidated Bonds, Fifty-fourth Series, Due 2019, will be sold on or before October 15, 1984.

Therefore, it was recommended that the Board rescind and cancel the resolutions establishing and authorizing the issuance and sale of Consolidated Bonds, Fifty-third Series, Due 2018, and Consolidated Bonds, Fifty-fourth Series, Due 2019, prior to the actions recommended at today's meeting in connection with the establishment and authorization of the issuance of and sale of Consolidated Bonds, Fifty-second Series, Due 2019, Consolidated Bonds, Fifty-third Series, Due 2020, and Consolidated Bonds, Fifty-fourth Series, Due 2021.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

RESOLVED, that the resolutions of the Authority adopted October 14, 1982 (as amended), entitled "Consolidated Bonds, Fifty-third Series - Establishment of Series," "Consolidated Bonds, Fifty-third Series - Authorization of Issuance of First Installment," and "Consolidated Bonds, Fifty-third Series - Authorization of Sale of First Installment"

(appearing, respectively, at pages 332 et seq., 359 et seq. and 362 et seq. of the Official Minutes of that date) and "Consolidated Bonds, Fifty-fourth Series - Establishment of Series," "Consolidated Bonds, Fifty-fourth Series - Authorization of Issuance of First Installment," and "Consolidated Bonds, Fifty-fourth Series - Authorization of Sale of First Installment" (appearing, respectively, at pages 365 et seq., 390 et seq. and 393 et seq. of the Official Minutes of that date) be and they hereby are rescinded and cancelled in their entirety.

(Board - 10/11/84)

Consolidated Bonds: Fifty-second Series, Fifty-third Series and Fifty-fourth Series - Consolidated Notes: Series JJ, Series KK, Series LL, and Series MM - Bank Loan of 1985

It was reported that the Authority's estimated capital expenditures in connection with its facilities for 1984 and 1985 total approximately $600 million and capital expenditures for 1986 are expected to exceed $300 million. Under present circumstances it is desirable for the Authority to continue its practice of financing a portion of its capital expenditures through a combination of long-, intermediate- and short-term obligations.

Authorization is being sought at this time for the issuance of up to $300 million in aggregate principal amount of Consolidated Bonds, up to $100 million in aggregate principal amount of Consolidated Notes and a bank loan in principal amount of up to $100 million (the "Bank Loan"), which, when combined with the current Port Authority Commercial Paper Program, will permit capital funds to be obtained from time to time upon the most favorable terms to the Authority. Prior to the sale of any of the foregoing obligations, the Authority would obtain any necessary allocations under the private activity bond volume ceiling, as provided for in the Internal Revenue Code of 1954, as amended, for the State of New York or the State of New Jersey, as appropriate.

It was recommended that the Board establish Consolidated Bonds, Fifty-second Series, Due 2019, Consolidated Bonds, Fifty-third Series, Due 2020, and Consolidated Bonds, Fifty-fourth Series, Due 2021, and Consolidated Notes, Series JJ, Consolidated Notes, Series KK, Consolidated Notes, Series LL, and Consolidated Notes, Series MM, and that the Board authorize the issuance of up to $100 million in aggregate principal amount of each such Series of Bonds and up to $25 million in aggregate principal amount of each such Series of Notes. It is further recommended that the Committee on Finance be authorized to sell and to deliver all or any part of each such Series of Bonds and Notes at such time or times on or before October 15, 1986, as it deems propitious, in one or more installments (of Bonds) or one or more lots, at public or private sale, bearing interest at a rate or rates including fixed or variable rates or a combination thereof or without a stated rate of interest for each such Series, to be fixed by the Committee, not in excess of 15% per annum for Bonds and not in excess of 12% per annum for Notes.

It was also recommended that the Committee on Finance be authorized to provide for the issuance of the Bank Loan and for the execution on behalf of the Authority, on or before October 15, 1986, of a loan agreement for such Bank Loan (the "Bank Loan

Agreement"), in an aggregate principal amount of up to $100 million, at an interest rate or rates including fixed or variable rates or a combination thereof or without a stated rate of interest, not in excess of 12% per annum, with banks and trust companies authorized to do business in the State of New York or the State of New Jersey (the "Banks") and provide for the Bank Loan to be evidenced by a promissory note or notes (the "Promissory Note") of the Authority to be delivered by the Authority to the Banks, specifying the date, maturity date or dates, principal amount, interest rate or rates, if any, redemption provisions and such other terms and conditions of the Bank Loan as the Committee deems appropriate.

The Bank Loan, subject to adjustment as to priority by the Committee on Finance consistent with agreements with the holders of obligations of the Authority, would be a special obligation of the Authority payable solely from net revenues deposited to the Consolidated Bond Reserve Fund pledged under the Basic Resolution establishing the issue of General and Refunding Bonds and the Consolidated Bond Resolution establishing the issue of Consolidated Bonds and remaining after (i) payment or provision for payment of debt service on General and Refunding Bonds and Consolidated Bonds as required by the applicable provisions of the resolutions establishing such issues, (ii) payment into the General Reserve Fund of the amount necessary to maintain said Fund at the amount specified in the General Reserve Fund Statutes, and (iii) application to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution. Furthermore, the principal of and interest on the Bank Loan would not be payable from the Special Reserve Fund in Trust or the General Reserve Fund of the Authority and the payment thereof would be subject in all respects to (i) payment of debt service on General and Refunding Bonds and Consolidated Bonds as required by the applicable provisions of the resolutions establishing such issues, and (ii) payment into the General Reserve Fund of the amount necessary to maintain said Fund at the amount specified in the General Reserve Fund Statutes.

The proceeds of each of such Series of Bonds or Notes or of the Bank Loan would be authorized, subject to allocation by the Committee on Finance, (a) for purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto, provided, however, that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, the

Committee on Finance may authorize all or any portion of the unspent proceeds of each such Series of Bonds or Notes or of the Bank Loan to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities of the Authority certified or to be certified after issuance of each of such Series of Bonds or Notes or of the Bank Loan; (b) for the purpose of refunding, at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the sale of any installment of each of such Series of Bonds or Notes or of the Bank Loan; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

It was also recommended that the Board authorize the Committee on Finance to designate and appoint one or more Paying Agents, a Registrar and a Trustee in connection with each of such Series of Bonds and one or more Paying Agents and a Registrar in connection with each of such Series of Notes and the Bank Loan, as appropriate.

It was further recommended that the Board provide that no part of the proceeds of each of such Series of Bonds, of each of such Series of Notes and of the Bank Loan shall be invested directly or indirectly in such a manner as to cause the interest on each of such Series of Bonds or Notes or of the Bank Loan to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

It was recommended that certification on behalf of the Authority as to the need for the issuance of each of such Series of Bonds, each of such Series of Notes, and of the Bank Loan, as to the status of the projects or purposes for which the proceeds of said Bonds, Notes and Bank Loan are to be used, as to the Authority's intentions with respect to the application and investment of such proceeds and as to such other related matters as may be authorized by the Committee on Finance may be made by the Chairman of the Authority; the Vice Chairman of the Authority; the Chairman of the Committee on Finance; the Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority, and any action which may be necessary or desirable in connection with said Bonds, Notes and Bank Loan to assure such

Bonds, Notes and Bank Loan are in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, may be taken by any one of the foregoing and that any such actions taken in connection therewith be ratified.

It was further reported that in view of current capital market conditions it is presently expected that prior to year-end 1984 Consolidated Bonds, Fifty-second Series may be sold utilizing a combination of fixed and variable interest rates during the term of issue. Staff is currently discussing the terms and provisions for a sale of such a Series of Consolidated Bonds with representatives of the investment banking firm of Prudential-Bache Securities, Inc. In addition to authorizations in connection with the foregoing, the Committee on Finance would also be authorized to take the usual actions to permit the obligations to be issued on the most favorable terms to the Authority and to take any other action as will best serve the public interest.

The Bonds of the Fifty-second, Fifty-third and Fifty-fourth Series would be dated as of November 1, 1984, July 15, 1985 and January 15, 1986, respectively, mature November 1, 2019, July 15, 2020 and January 15, 2021, respectively, and bear interest at a rate or rates including fixed or variable rates or a combination thereof or without a stated rate of interest, to be fixed by the Committee on Finance not in excess of 15% per annum, resulting in a net interest cost to the Authority for each Series not in excess of 15% per annum. A sinking fund would be established for each Series to meet the requirements of a schedule of mandatory periodic retirement commencing in 1994 for Bonds of the Fifty-second, in 1995 for Bonds of the Fifty-third Series and in 1996 for Bonds of the Fifty-fourth Series, to completely retire each Series at or prior to its respective maturity, for which purpose the Bonds would be callable for redemption prior to maturity at 100%. The Bonds of each Series would also be subject to redemption, at the option of the Authority, in whole or in part, commencing in 1994 for Bonds of the Fifty-second, in 1995 for Bonds of the Fifty-third Series and in 1996 for Bonds of the Fifty-fourth Series, at prices beginning at 103% and descending to 100%.

The Series JJ, Series KK, Series LL, and Series MM Notes would be dated as of January 15, 1985, July 15, 1985, January 15, 1986 and July 15, 1986, respectively, mature on January 15, 1988, July 15, 1988, January 15, 1989 and July 15, 1989, respectively, and bear interest at a rate or rates including fixed or variable

rates or a combination thereof or without a stated rate of interest, to be fixed by the Committee on Finance not in excess of 12% per annum, resulting in a net interest cost to the Authority for each Series not in excess of 12% per annum.

The Bank Loan Agreement and the Promissory Note would be dated as of their date, which would be on or before October 15, 1986, mature no later than 10 years from their date, bear interest at a rate or rates including fixed or variable rates, if any, to be fixed by the Committee on Finance not in excess of 12% per annum, resulting in a net interest cost to the Authority not in excess of 12% per annum, with a schedule of principal and interest payments to be fixed by the Committee, provided that the Authority shall have the right to prepay all or any part of the principal amount of the Bank Loan without penalty or premiums on and after any interest payment date to be fixed by the Committee.

The Bonds and Notes would be issued in registered form, registrable as to both principal and interest and not as to either alone. The Bonds and Notes would be issued in denominations of $5,000 or integral multiples of $5,000. The form and terms of the Promissory Note would be provided in the Bank Loan Agreement.

It was recommended that the Committee on Finance of the Authority be authorized (i) prior to the issuance of the first installment of the Bonds of each Series, to change the date as of which the Bonds of such Series shall be dated to any date on or before October 15, 1986, and, if the date as of which the Bonds of such Series shall be dated is so changed and the Bonds bear a stated rate or rates of interest, the Committee would change by the same number of days the respective dates on which interest on the Bonds of such Series would be payable; (ii) prior to the issuance of any installment of the Bonds of each Series, to change the date or dates at which any of the Bonds of that installment would mature; provided, that said date or dates would not be more than thirty-five years from the date as of which the Bonds of such Series are dated; (iii) prior to the issuance of the first installment of the Bonds of each Series, to adjust or change the respective dates in connection with the redemption, retirement, call and sinking fund provisions of the Bonds of such Series; (iv) prior to the issuance of the first installment of the Bonds of each Series, to adjust or change the respective dates and cumulative percentages of total principal amount provided in the schedule of mandatory sinking fund redemption to retire the entire Series at or prior to maturity or to rescind in its entirety the establishment of such mandatory sinking fund

redemption schedule and provisions as to the Bonds of such Series; (v) prior to the issuance of the first installment of the Bonds of each Series, to reduce the percentages of face value relating to the optional call provisions for the Bonds of such Series; (vi) prior to the issuance of the first installment of the Bonds of each series, to provide for the Bonds of each Series to be issued in book-entry form without certificates and to be separately registrable as to principal and as to interest to any one or more holders; and (vii) prior to the issuance of any installment of the Bonds of each Series, consistent with the foregoing, to change or adjust the provisions of the Bonds of such installment thereof to permit the issuance of such Bonds or installments with a fixed or variable interest rate or rates or a combination thereof.

It was also recommended that the Committee on Finance of the Authority be authorized, prior to the issuance of any of the Series JJ, Series KK, Series LL, or Series MM Notes, (i) to change the dates as of which the Notes of each such Series shall be dated to any date on or before October 15, 1986; (ii) to change the date on which any of the Notes of each such Series shall mature and be retired; provided, that in each case, said date or dates shall not be more than three years from the date as of which the Notes of such Series are dated; (iii) to adjust or change the provisions relating to the payment of interest and to the redemption, retirement, and call of the Notes of each such Series, provided that the Committee would not be authorized to change the redemption, retirement and call provisions of the Notes of each such Series to impose a call premium; (iv) to provide for the Notes of each such Series to be issued in book-entry form without certificates and to be separately registrable as to principal and as to interest to any one or more holders; and (v) consistent with the foregoing to change or adjust the provisions of the Notes to permit the issuance of such Notes with a fixed or variable interest rate or rates or a combination thereof.

On October 10, 1984, public hearings in connection with the issuance and sale of the foregoing Bonds, Notes and Bank Loan to be authorized as part of the Authority's financing plan, which includes the previously approved Port Authority Commercial Paper Program, as provided by Section 103(k) of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, were conducted by the Treasurer of the Authority at the offices of the Authority at One World Trade Center, New York, New York, and at the offices of the Authority at the Journal Square Transportation Center, One PATH Plaza, Jersey City, New

Jersey, pursuant to public notice published on September 25, 1984, in The New York Times, a newspaper of general circulation in the New York portion of the Port District, and in The Star Ledger, a newspaper of general circulation in the New Jersey portion of the Port District. In pertinent part, the notice contained the following description of the above obligations, and the Authority's facilities and projects, "Consolidated Bonds of The Port Authority of New York and New Jersey, presently denominated as the Fifty-second Series, Fifty-third Series, and Fifty-fourth Series; Consolidated Notes, Series JJ, Series KK, Series LL, and Series MM; and a Bank Loan, proposed to be issued and sold in connection with a plan of financing, which includes the previously approved Port Authority Commercial Paper Program, various capital expenditures at certain of the facilities of the Authority located in the Port of New York District, to wit, the Holland Tunnel, Lincoln Tunnel, George Washington Bridge, Bayonne Bridge, Goethals Bridge, Outerbridge Crossing, Port Authority Bus Terminal, Port Authority Bus Programs, Hudson Tubes, New York Union Motor Truck Terminal, LaGuardia Airport, John F. Kennedy International Airport, Newark International Airport, Teterboro Airport, Port Authority-West 30th Street Heliport, Port Authority-Downtown Manhattan Heliport, Oak Point Rail Freight Link, a rail freight improvement project in The Bronx, N.Y., Port Newark, Hoboken-Port Authority Marine Terminal, Brooklyn-Port Authority Marine Terminal, Erie Basin-Port Authority Marine Terminal, Elizabeth-Port Authority Marine Terminal, Columbia Street Marine Terminal, New York City Passenger Ship Terminal, World Trade Center, a facility of commerce in Manhattan, N.Y., Bathgate Industrial Park, an industrial park in The Bronx, N.Y., Elizabeth Industrial Park, an industrial park in Elizabeth, N.J., Teleport, a satellite communications center at the Staten Island Industrial Park, Staten Island, N.Y., and a foreign trade zone/distribution center and industrial development project or facility in the Howland Hook Marine Terminal Area of Staten Island, N.Y., a bank for regional development project or facility in the New Jersey and New York portions of the Port of New York District, a pre-development site acquisition project or facility for acquisition of real property in the New Jersey and New York portions of the Port of New York District, a port improvement homeport project or facility in the vicinity of the pier area of Stapleton, Staten Island, N.Y., a legal and communications center project or facility in Newark, N.J., a resource recovery project or facility in Essex County, N.J., a resource recovery project or facility in the City of New York, N.Y., a waterfront development project or facility to be located in each of Hunters Point, Queens, N.Y., and Hoboken, N.J., and a marine terminal project or facility consisting in part of a float bridge associated with

transportation of rail freight between the Greenville freight yard in Jersey City, N.J. and the Brooklyn, N.Y. waterfront, to be authorized by the Port Authority. The initial owner, operator or manager of these facilities is or will be the Port Authority. The major projects presently authorized or which may be authorized by the Port Authority to be undertaken at these facilities include, at LaGuardia Airport, general runway and roadway modification, paving, Central Terminal Building expansion; John F. Kennedy International Airport, general runway, taxiway and roadway modification, paving, modification to the International Arrivals Building, multi-tenant air cargo services building; Newark International Airport, general runway and roadway modification, paving, construction of a general aviation services center and cargo building in the Southwest development area, North Side cargo building, completion of Terminal C; Elizabeth-Port Authority Marine Terminal, building construction, paving; Erie Basin-Port Authority Marine Terminal, fishport project; Brooklyn-Port Authority Marine Terminal, Red Hook Container Terminal expansion; Oak Point Rail Freight Link project; miscellaneous capital improvements at the World Trade Center, including continued installation of a sprinkler system; Bathgate Industrial Park project; Elizabeth Industrial Park project; Port Authority Bus Terminal, extension, improvement, modernization; the Teleport project; Port Authority Bus Programs; capital improvements related to safety, maintenance, rehabilitation or improvement at the Port Authority Trans-Hudson System, the George Washington Bridge, Lincoln Tunnel, Holland Tunnel, Goethals Bridge, Bayonne Bridge, Outerbridge Crossing; Howland Hook project; Bank for Regional Development project; Pre-development site acquisition project; Homeport project; Legal and Communications Center project; Essex County resource recovery project; New York City resource recovery project; Hunters Point waterfront project; Hoboken waterfront project; Greenville yard marine terminal and float bridge project; and other miscellaneous capital improvements and replacements in connection with the facilities of the Port Authority. Each of the said series of obligations of the Port Authority would be issued for purposes of capital expenditures with respect to the facilities and projects noted above and in the maximum aggregate principal amounts noted below: each of said Series of Bonds would be in principal amount of up to $100,000,000, each of said Series of Notes would be in principal amount of up to $25,000,000, and the Bank Loan would be in a principal amount of up to $100,000,000."

(Board - 10/11/84)

Consolidated Bonds, Fifty-second Series—Establishment

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, heretofore and on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority") adopted a resolution (hereinafter called the "Consolidated Bond Resolution") providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time, in conformity with said Consolidated Bond Resolution for the purposes therein set forth, and which Consolidated Bond Resolution constitutes a contract with the holders of the Consolidated Bonds so issued; and

WHEREAS, said Consolidated Bond Resolution provides that such Consolidated Bonds shall be issued in such series as the Authority may determine, and that the characteristics of the bonds of such series shall be determined by the Authority by and in the resolution establishing such series, and that the resolution establishing any series may contain other terms and provisions not inconsistent with the Consolidated Bond Resolution; and

WHEREAS, the Authority has heretofore established various series of said Consolidated Bonds and has now determined that it is necessary, advisable and in the public interest to establish another series of said Consolidated Bonds, without prejudice to its right hereafter to establish other and additional series of such Consolidated Bonds;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions.

SECTION 2. There is hereby established a series of said Consolidated Bonds to be known as the "Fifty-second Series, Due 2019," to be issued in conformity with said Consolidated Bond Resolution and for any one or more of the purposes specified therein as may be provided in the resolution authorizing the issuance of such series. This resolution shall constitute a contract with the holders of said bonds of the Fifty-second Series, Due 2019, which said bonds are hereinafter called "bonds of this Series," and with each such holder.

SECTION 3. Bonds of this Series shall be issued in one or more installments as the Authority may hereafter determine.

The bonds of this Series shall be dated as of November 1, 1984, shall mature on November 1, 2019, and shall bear a stated rate or rates of interest including fixed or variable rates or a combination thereof, from the semi-annual interest payment date next preceding their date of issue, or if such date of issue shall be an interest payment date, from such date of issue, not exceeding fifteen per centum (15%) per annum, as may be determined by the Committee on Finance of the Authority. The Committee on Finance is hereby authorized to fix and determine any other date as that upon which interest shall commence and said interest rate or rates including fixed or variable rates or a combination thereof, if any, or to determine that said bonds of this Series shall not bear a stated rate of interest. If the bonds of this Series shall bear a stated rate or rates of interest, interest shall be payable semi-annually commencing on May 1, 1985, and thereafter on each succeeding November 1 and May 1 until maturity or prior redemption.

Both principal of and interest on the bonds of this Series shall be payable in lawful money of the United States of America. Principal of the bonds of this Series and interest on the coupon bonds of this Series, if any, shall be payable at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District. Interest on the registered bonds of this Series shall be payable when due to the registered holder thereof by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

Bonds of this Series shall be issued only in registered form without coupons, registered as to both principal and interest and not as to either alone; *provided, however,* if at any time prior to issuance of the first installment of the bonds of this Series, there shall be in effect a provision of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), or the regulations promulgated thereunder, which does not provide that, for the

interest on the bonds of this Series to be considered exempt from Federal income taxes under Section 103 of the Code, such bonds of this Series must be issued in registered form, then the bonds of this Series may also be issued in the form of coupon bonds payable to bearer, in which event the Committee on Finance shall and it is hereby authorized to adopt an appropriate form of coupon bond issuable only in the denomination of $5,000.

Registered bonds of this Series shall be issued in the denominations of $5,000 or integral multiples of $5,000.

SECTION 4. The Authority will keep or cause to be kept at the offices, designated by the Authority, of its Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient books for the registration of bonds of this Series. Each registered bond of this Series shall be transferable only upon such books by the registered holder thereof in person or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution.

In the event that the bonds of this Series may be issued in coupon form, a coupon bond or bonds of this Series (if any), upon the written request of the bearer or bearers thereof and upon the surrender thereof with all unmatured coupons thereto attached, may be exchanged for a registered bond or bonds, registered as designated in such request, of the same aggregate principal amount and series as the surrendered bond or bonds, of any of the authorized denominations. A registered bond or bonds of this Series, upon the written request of the registered holder or holders thereof and upon surrender thereof, may be exchanged for a registered bond or bonds, registered as designated in such request, of any other authorized denominations, or in the event that the bonds of this Series may be issued in coupon form, a coupon bond or bonds with appropriate coupons attached, or a combination of such coupon and registered bonds, in each case of the same aggregate principal amount as the surrendered bond or bonds.

All requests for the registration, transfer, exchange and delivery of bonds as above provided shall be filed with the Registrar of the Authority; all bonds to be surrendered pursuant to such request shall be surrendered to the Registrar; and all bonds delivered in exchange as aforesaid shall be delivered by the Registrar. All bonds of this Series surrendered to the Registrar in exchange for other bonds or for transfer as above provided shall be cancelled by the Registrar upon such surrender.

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of bonds of this Series, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

Nothing contained in this resolution shall be deemed to authorize the execution and delivery of bonds of this Series except in the denomination of $5,000 in the case of coupon bonds (if any) or in the denominations of $5,000 or integral multiples of $5,000 in the case of registered bonds or to authorize the issuance of coupon bonds of this Series if at any time there shall be in effect a provision of the Code or the regulations promulgated thereunder which provides that for the interest on the bonds of this Series to be considered exempt from Federal income taxes under Section 103 of the Code such bonds of this Series must be issued in registered form.

SECTION 5. Except as provided in Section 6 of this resolution, bonds of this Series shall be redeemable at the option of the Authority, in whole or in part, on interest payment dates, at or subsequent to November 1, 1994, and prior to maturity, as follows:

At one hundred three per centum (103%) of their face value, plus accrued interest to the date fixed for redemption, at November 1, 1994, and thereafter and at or prior to November 1, 1996; at one hundred two per centum (102%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to November 1, 1999; at one hundred one per centum (101%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to November 1, 2002; and at one hundred per centum (100%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to May 1, 2019.

If less than all the bonds of this Series then outstanding are to be called for redemption, the bonds so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance may determine (which said Committee is hereby authorized to fix and determine such other system or method).

Notice of intention to redeem any bonds of this Series shall be given by the Authority by publication in a daily newspaper of general circulation in the City of New York, State of New York, and also in a daily newspaper of general circulation in one or more of the following cities: the City of Boston, Commonwealth of Massachusetts; the City of Philadelphia, Commonwealth of Pennsylvania; the City of Chicago, State of Illinois; and the City of San Francisco, State of California. Such notice shall be published at least twice prior to the date fixed for redemption, the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed by the Authority or the Registrar, as the Authority may elect, not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the registered holders of the bonds of this Series to be called for redemption, at their last known addresses as appearing upon the Registry Books of the Authority; *provided, however,* that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said bonds.

Before the date fixed for redemption specified in such notice, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the outstanding bonds which are to be redeemed, at the respective redemption prices thereof, which, in each case, shall include the accrued interest to the date fixed for redemption and the premium (if any), such principal amount and premium, (if any), to be held by the Paying Agent (or Paying Agents) in trust for the account of the holders of the bonds so called for redemption and to be paid to them respectively upon presentation and surrender of the said bonds with accrued interest included in such redemption price to be paid to the registered holders in accordance with the provisions of this resolution and in the case of coupon bonds (if any), such accrued interest to be paid to the holders only upon presentation and surrender of all unmatured coupons (if any) pertaining to such bonds. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the bonds so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such bonds on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the bonds so called from and after the date fixed for their redemption, and such bonds and the unmatured coupons (if any) pertaining thereto shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of registered bonds of denominations greater than $5,000, if less than all of the bonds of this Series then outstanding are to be called for redemption, then for all purposes in connection with redemption, each $5,000 unit of face value shall be treated as though it were a separate bond of the denomination of $5,000, and the word "bond" as used in the foregoing provisions of this Section 5 shall be deemed to refer to such $5,000 unit of face value. If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by any bond are to be called for redemption, then upon notice of intention to redeem said $5,000 unit or units, the holder of said bond shall forthwith present said bond to the Registrar who shall issue a new bond or bonds of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 4 of this resolution, including a new bond or bonds with the aggregate principal amount of the $5,000 unit or units of face value called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the holder thereof. If the holder of such bonds of a denomination greater than $5,000 shall fail to present such bond to the Registrar for the issuance of new bonds of smaller denominations in exchange therefor, as aforesaid, such bonds shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents, as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such bond represented by such $5,000 unit or units of face value on and after the date fixed for redemption, and such bond shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption and premium, if any) represented by such $5,000 unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 6. The Authority shall establish and maintain a separate sinking fund for the retirement of bonds of this Series which shall be known as the "Consolidated Bonds, Fifty-second Series, Due 2019, Sinking Fund." The amount required to be paid into said Sinking Fund for each year shall be the difference at November 1 of such year between the schedule amount of principal for such year and the schedule amount of principal for the next preceding year as set forth in this Section 6, determined in the manner provided in the next succeeding paragraph. Except as provided in the third paragraph of this Section 6, payments into said Sinking Fund shall be made in bonds of this Series purchased or redeemed by the Authority at or prior to September 15 of the year on account of which the payment is made. Such payments may be made at any time or times during such year at or prior to September 15 or at any time or times during any prior year. Bonds of this Series so purchased may be purchased at such prices as the Authority may deem reasonable and proper and, in the discretion of the Authority, at public or private sale, with or without advertisement and with or without notice to any person other than the seller, and bonds theretofore issued and negotiated and then held by the Authority may be purchased for such purpose as well as bonds held by others. To be eligible for payment into said Sinking Fund each such bond shall have theretofore actually been issued and negotiated by the Authority and shall either be in registered form or in coupon form (if any) with all interest coupons attached maturing on and subsequent to November 1 of the year on account of which it is paid into said Sinking Fund. Bonds paid into said Sinking Fund shall be received therein at a value equal to the principal amount of such bonds. Upon payment into said Sinking Fund of said bonds of this Series so purchased or redeemed, said bonds shall be forthwith cancelled. All bonds of this Series which shall have been redeemed at prices established by Section 5 hereof shall be deemed to have been paid into said Sinking Fund and cancelled within the requirements of the preceding sentence whether or not said bonds shall have been presented for payment upon such redemption.

The schedule amount of bonds of this Series for each year shall be determined by multiplying the aggregate principal amount of all bonds of this Series theretofore issued (whether or not any of such bonds shall have theretofore been retired) by the cumulative percentage of total principal amount specified opposite such year in the schedule of mandatory periodic retirement hereafter set forth in this Section 6; if the amount so determined shall not be a multiple of $5,000, then the schedule amount for such year shall be the next higher multiple of $5,000.

If at the close of September 15 of any year (except the year of maturity) set forth in said schedule of mandatory periodic retirement, the Authority shall not have made payment into said Sinking Fund on account of such year of an amount at least equal to the payment required to be made therein on account of such year, then the Authority shall, on September 16 of such year, pay into said Sinking Fund an amount in cash equal to the deficiency, and such amounts shall be applied to the redemption of bonds of this Series at November 1, 1994, and at November 1 of each year thereafter, in the manner and upon the notice set forth in Section 5 of this resolution, but, notwithstanding the redemption price set forth in Section 5, at the price of one hundred per centum (100%) of their face value, plus accrued interest to the date fixed for redemption, at November 1, 1994, and thereafter and at or prior to November 1, 2018.

The following schedule of mandatory periodic retirement is provided for bonds of this Series:

Year	Cumulative Percentage of Total Principal Amount	Year	Cumulative Percentage of Total Principal Amount
1994	0.5	2007	25.0
1995	1.0	2008	30.0
1996	1.5	2009	35.0
1997	2.0	2010	41.0
1998	3.0	2011	47.0
1999	4.0	2012	53.0
2000	5.5	2013	59.0
2001	7.0	2014	65.0
2002	9.0	2015	72.0
2003	11.0	2016	79.0
2004	14.0	2017	86.0
2005	17.0	2018	93.0
2006	21.0	2019	100.0

Nothing herein contained shall be construed in any way to prevent the Authority from retiring bonds of this Series more rapidly than is shown in the foregoing schedule of mandatory periodic retirement.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for purposes and upon conditions which in the case of the Consolidated Bond Reserve Fund are authorized by the Consolidated Bond Resolution or in the case of said special reserve funds are authorized by the respective resolutions establishing such prior issues of bonds.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. The Authority shall appoint a bank or trust company as Trustee for and in connection with the bonds of this Series. The Trustee is hereby authorized to (i) institute any action or proceeding on behalf of the holders of the bonds of this Series against the Authority or others, or (ii) intervene in any pending action or proceeding, or (iii) take any other action which it shall in its sole discretion determine to be necessary or advisable in order to protect the rights of the holders of bonds of this Series. The rights of the Trustee in this respect and in all other respects shall be in addition to and not in substitution of any and all rights which would otherwise inure to the holder or holders of bonds of this Series. It is understood that the Trustee in its sole discretion may, but shall be under no obligation to, review the activities or operations of the Authority or any of the contracts or agreements of the Authority or exercise any of the rights or powers vested in it by this Section 8 whether on the Trustee's initiative or at the request or direction of any of the holders of bonds of this Series.

The Trustee (which shall include any successor Trustee) appointed under the provisions of this Section shall be a bank or trust company organized under the laws of the State of New York or the State of New Jersey or a national banking association doing business and having its principal office in the Port of New York District and having a total capital (including capital stock, surplus, undivided profits and capital notes, if any) aggregating at

least $25,000,000, which is willing and able to accept the office on reasonable and customary terms and is authorized by law to perform all the duties imposed upon it by this resolution.

The Trustee shall not be liable for any action taken or suffered upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this resolution in good faith and in accordance therewith. The Trustee shall not be liable in connection with the performance or nonperformance of its duties except for its own willful misconduct, negligence or bad faith.

If the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this resolution, such matter (unless other evidence in respect thereof be specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an authorized officer of the Authority (who shall be any officer authorized pursuant to Section 9 hereof to execute bonds of this Series), and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this resolution upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a statement of an authorized officer showing for the preceding calendar year (i) net revenues, (ii) the aggregate interest paid on bonds of the Authority, and (iii) the payments of principal on bonds of the Authority.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a copy of its annual report for such year, and its financial statement for such year accompanied by an opinion signed by an independent public accountant or firm of public accountants of recognized standing selected by the Authority and satisfactory to the Trustee.

The Authority shall file with the Trustee a copy of any Official Statement hereafter issued by the Authority in connection with the issuance of bonds by the Authority.

The Authority shall file with the Trustee a copy of the minutes of every meeting of the Authority and of the Port Authority Trans-Hudson Corporation at the time said minutes are transmitted to the Governor of New York and the Governor of New Jersey.

The Authority shall not be required to file with the Trustee (except when requested to do so by the Trustee) and the Trustee shall not be required to review any document, instrument, report or paper other than those which the Authority is expressly required hereunder to file with the Trustee. The Trustee shall not be bound to make any investigation into the facts or matters stated in any document, instrument, report or paper supplied to it, but the Trustee in its sole discretion may make such further inquiry or investigation into such facts or matters as the Trustee may deem advisable, and, if the Trustee shall determine to make such further inquiry or investigation, the Trustee is authorized to examine such books and records of and properties owned or operated by the Authority as the Trustee may deem advisable, personally or by agent or attorney.

The Authority hereby agrees (i) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder, (ii) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the exercise or performance of any of its powers or duties hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), and (iii) to indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without willful misconduct, negligence or bad faith on its part, arising out of or in connection with the exercise or performance of the Trustee's powers and duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with such exercise or performance.

The Trustee may become the owner or holder of any bonds of the Authority with the same rights as it would have were it not a Trustee. To the extent permitted by law, the Trustee may act as depositary for the Authority, act as Paying Agent and Registrar of bonds of the Authority, act itself and permit any of its officers or directors to act in any other capacity with respect to the Authority, the bonds of the Authority and the holders of bonds of the Authority as it or its officers or directors would be able to act were it not a Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations created by this resolution by giving not less than sixty (60) days' written notice to the Authority and publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for two (2) successive calendar weeks in a newspaper of general circulation in the City of New York, State of New York, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the Authority in which event such resignation shall take effect immediately on the appointment of such successor.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed and acknowledged by the holders of a majority in principal amount of the bonds of this Series then outstanding or by their attorneys duly authorized, excluding any bonds held by or for the account of the Authority.

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the holders of a majority in principal amount of the bonds of this Series then outstanding, excluding any bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such bondholders or by their attorneys duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; *provided*, nevertheless, the Authority shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the holders of bonds of this Series as authorized in this Section. The Authority shall publish notice of any such appointment made by it once in each week for two (2) consecutive calendar weeks, in a newspaper of general circulation in the City of New York, State of New York, the first publication to be made within twenty (20) days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the holders of bonds of this Series.

Any company into which any Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Trustee may sell or transfer all or substantially all of its corporate trust business; *provided*, such company shall be a bank or trust company located in the Port of New York District and shall be authorized by law to perform all the duties imposed upon it by this resolution, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

The failure of the Authority to take any action required by this Section shall not invalidate any bond or bonds issued pursuant to this resolution or hereafter issued by the Authority, or affect any other actions of the Authority. The Authority shall in no way be restricted by this Section from entering any defense to an action or proceeding instituted by the Trustee or by the holder or holders of bonds of this Series.

SECTION 9. Each bond of this Series shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed by any one of the following persons, to wit:—The person holding the office or exercising the duties of Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Assistant Executive Director; Secretary; Assistant Secretary; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority at the time of its execution; *provided*, that each bond of this Series may be executed by the facsimile signature of any of the foregoing persons and, in such event, such bond shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, manually executed by the Registrar of the Authority. No bond of this Series bearing a facsimile signature of any of the foregoing persons shall be entitled to any benefit under this resolution or the Consolidated Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Registrar of the Authority, as aforesaid, and such manually executed certificate upon such bond shall be conclusive evidence that such bond has been authenticated and delivered hereunder. Such certificate of authentication on any such bond shall be deemed to have been executed by the Registrar of the Authority, as aforesaid, if signed by an authorized officer thereof, but it shall not be necessary that the same officer sign the certificate of authentication on all of such bonds issued hereunder. Bonds of this Series in coupon form (if any) shall have coupons for interest attached, bearing facsimile signatures of the Chairman and Secretary of the Authority.

(Board - 10/11/84)

The registered bonds of this Series shall be in substantially the following form, the blank spaces being appropriately filled in, and, as applicable, taking account of the changes and adjustments authorized in this resolution:

(FORM OF REGISTERED BOND)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

CONSOLIDATED BOND

FIFTY-SECOND SERIES, DUE 2019

No. C(52)-. . . .

Maturity Date: November 1, 2019 Interest Rate: . . . .% Per Annum Dated: November 1, 1984 CUSIP . . . .

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (formerly known as The Port of New York Authority and hereinafter called the Authority), a body corporate and politic, created by the Compact of April 30, 1921, between the State of New York and the State of New Jersey, to which the consent of the Congress of the United States was given by Public Resolution No. 17, 67th Congress, First Session, acknowledges itself indebted and for value received hereby promises to pay to the registered holder hereof, on the first day of November, 2019 upon presentation and surrender of this bond, the principal amount shown below:
together with interest thereon at the rate of per centum (%) per annum from , payable semi-annually commencing on May 1, 1985, and thereafter on each succeeding November 1 and May 1 until maturity or prior redemption. The principal of this bond shall be payable in lawful money of the United States of America, at maturity or prior redemption upon presentation and surrender by the registered holder hereof at the office of , Paying Agent of the Authority, or the office or offices designated by the Authority of such other Paying Agent or Paying Agents appointed for the purpose by the Authority in a county which is in whole or in part in the Port of New York District. Semi-annual interest on this bond shall be payable when due, in lawful money of the United States of America, to said registered holder by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

This bond is issued pursuant to and in full conformity with the Compact between the States of New York and New Jersey creating the Authority and the various statutes of said two States amendatory thereof and supplemental thereto, for purposes provided in said Compact and statutes, and is a direct and general obligation of the Authority for the prompt payment of the principal of and interest on which the full faith and credit of the Authority are irrevocably pledged. The provisions of the resolution of October 9, 1952, establishing an issue of Consolidated Bonds and of the resolutions of October 11, 1984, establishing the Series of which this bond forms a part and authorizing the issuance of this bond, constitute a contract between the Authority and the registered holder of this bond, which is subject to modification as therein provided.

The Authority has appointed a Trustee for and in connection with the bonds of this Series as provided by the resolution establishing the Series of which this bond forms a part.

This bond is registered as to principal and interest (but not as to either alone) and is transferable only upon the books kept by the Registrar of the Authority by the registered holder of this bond or attorney duly authorized, all in accordance with the provisions of the resolution establishing the Series of which this bond forms a part. The bonds of this Series are issuable only in the form of registered bonds without coupons in the denominations of $5,000 or integral multiples of $5,000. The registered holder of this bond or attorney duly authorized may upon application to the Registrar of the Authority exchange the same in accordance with the provisions of the resolution establishing the Series of which this bond forms a part for an equal aggregate principal amount of registered bonds of any other authorized denominations. The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of bonds of this Series including such fees as may be imposed by the Registrar for such services performed by the Registrar.

This bond may be redeemed at November 1 of any year prior to maturity beginning with 1994 to satisfy the requirements of the schedule of mandatory periodic retirement provided for bonds of this Series in and pursuant to said resolutions of the Authority at one hundred per centum (100%) of its face value, plus accrued interest to the date fixed for redemption at November 1, 1994, and thereafter and at or prior to November 1, 2018.

This bond may at the option of the Authority be redeemed for any other purpose at any interest payment date at or subsequent to November 1, 1994, as follows:

At one hundred three per centum (103%) of its face value, plus accrued interest to the date fixed for redemption, at November 1, 1994, and thereafter and at or prior to November 1, 1996; at one hundred two per centum (102%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to November 1, 1999; at one hundred one per centum (101%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to November 1, 2002; and at one hundred per centum (100%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to May 1, 2019.

If less than all the bonds of this Series then outstanding are to be called for redemption, the bonds so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance of the Authority shall fix and determine.

If this bond shall be called for redemption, notice shall be given by the Authority by publication in a daily newspaper of general circulation in the City of New York, State of New York, and also in a daily newspaper of general circulation in one or more of the following cities: the City of Boston, Commonwealth of Massachusetts; the City of Philadelphia, Commonwealth of Pennsylvania; the City of Chicago, State of Illinois; and the City of San Francisco, State of California. Such notice shall be published at least twice prior to the date fixed for redemption—the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption; and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed, not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, to the registered holder of this bond at his last known address as appearing on the Registry Books of the Authority; *provided, however,* that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said bonds. If this bond shall be called for redemption, and if funds sufficient for the redemption price shall be deposited with the Paying Agent or Paying Agents of the Authority in trust for the account of the registered holder of this bond, and if such funds shall be available for its redemption on the date fixed for redemption, interest shall cease to accrue on this bond from and after the date fixed for redemption and this bond shall not be entitled to the benefit or security of the foregoing resolutions but shall rely solely upon the funds so deposited.

If this bond is of a denomination greater than $5,000, and if less than all of the bonds of the Series of which this bond forms a part are to be called for redemption, then for all purposes in connection with redemption, each $5,000 of face value of this bond shall be treated as though it were a separate bond of the denomination of $5,000, and the word "bond" as used in the foregoing redemption provisions shall be deemed to refer to such $5,000 unit of face value.

If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by this bond are to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units the registered holder of this bond shall forthwith present this bond to the Registrar who will issue new bonds of smaller denominations but of the same aggregate principal amount in exchange or substitution therefor, as provided in the resolution establishing the Series of which this bond forms a part, including a new bond or bonds with the aggregate principal amount of the $5,000 unit or units called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the registered holder. If the registered holder shall fail to present this bond to the Registrar for the issuance of new bonds of smaller denominations in exchange or substitution therefor as aforesaid, this bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of this bond represented by such $5,000 unit or units of face value on and after the date fixed for redemption and this bond shall not be entitled to the benefit or security of the aforesaid resolutions to the extent of the portion of its principal amount (and accrued interest thereon to the

date fixed for redemption and premium, if any) represented by such $5,000 unit or units, but to that extent shall rely solely upon the funds so deposited.

This bond is entitled to the benefit of the sinking fund established for this Series by the resolutions of the Authority hereinabove referred to.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this bond, exist, have happened and have been performed in due time, form and manner as required by the Constitutions and statutes of the States of New York and New Jersey, the Compact creating the Authority and the aforesaid resolutions of the Authority, and that the amount of this bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by said Constitutions, statutes, Compact or the Consolidated Bond Resolution.

IN WITNESS WHEREOF, The Port Authority of New York and New Jersey has caused its name to be signed hereto by its duly authorized officer, by manual or facsimile signature, and its official seal, or facsimile thereof, to be hereto affixed or printed or impressed hereon, and this bond to be dated as of the first day of November, 1984.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

. . . . . .
Authorized Officer

(END OF FORM OF REGISTERED BOND)

The certificate of authentication attached to each of the bonds of this Series which are executed by a facsimile signature on behalf of the Authority, shall be in substantially the following form, the blank spaces being appropriately filled in:

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds issued under the provisions of the within-named resolution and the Consolidated Bond Resolution.

Date of Authentication: . . . . . .

REGISTRAR
as Registrar of the Authority

By . . . . . .
Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

Each registered bond of this Series shall have provisions for assignment endorsed thereon, in substantially the following form:

(FORM OF PROVISIONS FOR ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

[ ]

. . . . . .
(Please Print or Type Name and Address of Assignee)

. . . . . .

. . . . . .

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint

. . . . . Attorney to transfer such bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

. . . . . .
(Signature of Registered Holder)

In the presence of: . . . . . .
(Witness)

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular.

(END OF FORM OF PROVISIONS FOR ASSIGNMENT)

In case any official of the Authority who shall have signed or whose facsimile signature shall appear on any of the bonds of this Series shall cease to be such official before the bonds shall have been actually issued, the bonds may nevertheless be issued as though the person who signed such bonds of this Series had not ceased to be such official of the Authority; and the Authority may, by issuing bonds bearing coupons (if any) so executed, adopt and use the facsimile signature of any person appearing on the coupons (if any), notwithstanding the fact that such person may have ceased, at the time when the bonds and coupons (if any) shall have been issued, to hold the office appearing after such person's facsimile signature on such coupons (if any).

SECTION 10. The Committee on Finance of the Authority is hereby authorized (i) prior to the issuance of the first installment of the bonds of this Series, to change the date as of which the bonds of this Series shall be dated to any date on or before October 15, 1986, and, if the date as of which the bonds of this Series shall be dated is so changed and the bonds bear a stated rate or rates of interest, the Committee shall change by the same number of days the respective dates on which interest on the bonds of this Series shall be payable; (ii) prior to the issuance of any installment of the bonds of this Series, to change the date at which any of the bonds of that installment shall mature; *provided*, that said date or dates shall not be more than thirty-five (35) years from the date as of which the bonds of this Series are dated; (iii) prior to the issuance of the first installment of the bonds of this Series, to adjust or change the respective dates in connection with the redemption, retirement, call and sinking fund provisions of the bonds of this Series; (iv) prior to the issuance of the first installment of the bonds of this Series, to adjust or change the respective dates and cumulative percentages of total principal amount provided in the schedule of mandatory sinking fund redemption to retire the entire Series at or prior to maturity or to rescind in its entirety the establishment of the mandatory sinking fund redemption schedule and provisions as to the bonds of this Series; (v) prior to the issuance of the first installment of the bonds of this Series, to reduce the percentages of face value relating to the optional call provisions for the bonds of this Series; (vi) prior to the issuance of the first installment of the bonds of this Series, to provide for the bonds of this Series to be issued in book-entry form without certificates and to be separately registrable as to principal and interest to any one or more holders; (vii) prior to the issuance of any installment of the bonds of this Series, consistent with the foregoing, to change or

adjust the provisions of the bonds of such installment thereof to permit the issuance of such bonds or installments with a fixed or variable interest rate or rates or a combination thereof; and (viii) to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 11. In case any bond or any coupon (if any) pertaining to such a bond shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new bond or coupon of like tenor and amount in exchange or substitution for and upon cancellation of said mutilated bond or coupon or in lieu of or in substitution for such destroyed or lost bond or coupon; or if such bond or coupon shall have matured, instead of issuing a substitute bond or coupon the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute bond or coupon shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such bond or coupon and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute bond or coupon or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute bond or coupon, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new bond or coupon so issued in substitution. Any bond or coupon (if any) issued under the provisions of this section in lieu of any bond or coupon alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the bond or coupon so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

Consolidated Bonds, Fifty-second Series—Authorization of Issuance

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority"), adopted a resolution providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time in conformity with said resolution for the purposes therein set forth, which said resolution (hereinafter called the "Consolidated Bond Resolution") constitutes a contract with the holders of the bonds so issued; and

WHEREAS, on the 11th day of October, 1984, the Authority adopted a resolution establishing a series of said Consolidated Bonds to be known as the "Fifty-second Series, Due 2019" (hereinafter called "bonds of this Series"), which said resolution by its terms constitutes a contract with the holders of the bonds of this Series; and

WHEREAS, the Authority has now determined that it is necessary, advisable and in the public interest to authorize the issuance of One Hundred Million Dollars ($100,000,000) in principal amount of bonds of this Series for the purposes hereinafter set forth;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions; *provided, however*, that the term "facility" herein shall not include any railroad car owned, leased or operated pursuant to Chapter 638 of the Laws of New York of 1959 and Chapter 25 of the Laws of New Jersey of 1959 or any acts amendatory or supplementary thereto.

SECTION 2. The issuance of up to One Hundred Million Dollars ($100,000,000) in principal amount of Consolidated Bonds of the Authority of the Fifty-second Series, Due 2019, is hereby authorized. Said bonds shall be issued in one or more installments or lots pursuant to and shall conform in all respects to the aforesaid Consolidated Bond Resolution and the aforesaid resolution establishing the Fifty-second Series.

SECTION 3. The bonds of this Series shall be numbered upward from C(52)-1, or they may bear such other numbers as the Chairman of the Authority; the Vice Chairman of the Authority; the Chairman of the Committee on Finance; the Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority may deem appropriate.

SECTION 4. The proceeds of the bonds of this Series shall be used (a) for purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto; *provided, however*, that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, the Committee on Finance may authorize all or any portion of the unspent proceeds of the bonds of this Series to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities of the Authority certified or to be certified after issuance of the bonds of this Series; (b) for the purpose of refunding, at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the sale of any installment of the bonds of this Series; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

SECTION 5. In the event the Committee on Finance determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of any of the bonds of this Series to purposes in connection with some but not all of the purposes authorized in Section 4 hereof, the Committee is hereby authorized, prior to the sale of bonds of any installment of this Series from time to time, to make such allocation

by resolution. The adoption by said Committee of such a resolution prior to any such sale shall be sufficient to restrict the application of the proceeds of any bonds of such installment of this Series included in said sale to the purposes specified by the Committee in said resolution.

SECTION 6. The provisions of this resolution shall constitute a contract with the holders of the bonds issued pursuant to this resolution, and with each such holder.

Consolidated Bonds, Fifty-second Series—Authorization of Sale

Pursuant to the foregoing report, the following resolution was unanimously adopted:

SECTION 1. The Committee on Finance of the Authority (hereinafter called the "Committee") is hereby authorized to sell all or any part of One Hundred Million Dollars ($100,000,000) in principal amount of Consolidated Bonds, constituting the Fifty-second Series, Due 2019 (hereinafter called the "bonds of this Series"), at a price which will result in a net interest cost to the Authority not in excess of fifteen per centum (15%) per annum to maturity, and to do so in the name of and on behalf of the Authority, at public or private sale, with or without advertisement, in one or more installments or in one or more lots, at one or more times on or before October 15, 1986, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the issuance of said bonds of this Series.

SECTION 2. The Committee shall have power, in connection with the bonds of this Series, to fix the time or times of sale on or before October 15, 1986, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 3. The Committee shall have power in the name of and on behalf of the Authority, in connection with the bonds of this Series, to enter into any appropriate contracts or agreements concerning any sales; to fix the time or times and determine the terms and conditions of delivery of said bonds of this Series; to appoint and to enter into appropriate contracts or agreements with one or more Paying Agents and a Registrar and a Trustee, and to designate the office or offices of any such Paying Agent or Paying Agents at which payments shall be made and the office or offices of any such Registrar at which the books for registration shall be kept; to enter into any appropriate contracts or agreements providing insurance in connection with said bonds of this Series; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised by the Authority as a condition precedent to the issuance of the bonds of this Series or for the purpose of determining whether all conditions precedent to their issuance exist, the Authority hereby adopting all such selections, designations, determinations, actions, withholdings of action, estimates and exercises of judgment and discretion, whether pursuant to Section 3 of the Consolidated Bond Resolution of October 9, 1952, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 4. The Committee shall have power to authorize one or more official statements in the name of and on behalf of the Authority (describing the Authority, its financial condition and the bonds offered for sale, and making representations on behalf of the Authority). The Authority hereby authorizes the purchaser or purchasers in offering the bonds of this Series for resale to use such official statement or statements and representations as those of the Authority.

SECTION 5. No part of the proceeds of the bonds of any installment of the bonds of this Series shall be invested directly or indirectly in such a manner as to cause the interest on such bonds of this Series to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

SECTION 6. The Committee or any member thereof; the Chairman of the Authority; Vice Chairman of the Authority; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized, in connection with the bonds of this Series, to take any action which may be necessary or desirable to assure that the bonds of this Series are in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and any such actions taken in connection therewith are hereby ratified. The Chairman of the Authority; Vice Chairman of the Authority; Chairman of the Committee; Executive Director; Assistant Executive Director; Chief

Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized to certify on behalf of the Authority as to the need for the issuance of bonds of this Series for the purposes for which such bonds of this Series are issued, as to the status of the projects for which the proceeds of the bonds of this Series would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee.

Consolidated Bonds, Fifty-third Series—Establishment

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, heretofore and on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority") adopted a resolution (hereinafter called the "Consolidated Bond Resolution") providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time, in conformity with said Consolidated Bond Resolution for the purposes therein set forth, and which Consolidated Bond Resolution constitutes a contract with the holders of the Consolidated Bonds so issued; and

WHEREAS, said Consolidated Bond Resolution provides that such Consolidated Bonds shall be issued in such series as the Authority may determine, and that the characteristics of the bonds of such series shall be determined by the Authority by and in the resolution establishing such series, and that the resolution establishing any series may contain other terms and provisions not inconsistent with the Consolidated Bond Resolution; and

WHEREAS, the Authority has heretofore established various series of said Consolidated Bonds and has now determined that it is necessary, advisable and in the public interest to establish another series of said Consolidated Bonds, without prejudice to its right hereafter to establish other and additional series of such Consolidated Bonds;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions.

SECTION 2. There is hereby established a series of said Consolidated Bonds to be known as the "Fifty-third Series, Due 2020," to be issued in conformity with said Consolidated Bond Resolution and for any one or more of the purposes specified therein as may be provided in the resolution authorizing the issuance of such series. This resolution shall constitute a contract with the holders of said bonds of the Fifty-third Series, Due 2020, which said bonds are hereinafter called "bonds of this Series," and with each such holder.

SECTION 3. Bonds of this Series shall be issued in one or more installments as the Authority may hereafter determine.

The bonds of this Series shall be dated as of July 15, 1985, shall mature on July 15, 2020, and shall bear a stated rate or rates of interest including fixed or variable rates or a combination thereof, from the semi-annual interest payment date next preceding their date of issue, or if such date of issue shall be an interest payment date, from such date of issue, not exceeding fifteen per centum (15%) per annum, as may be determined by the Committee on Finance of the Authority. The Committee on Finance is hereby authorized to fix and determine any other date as that upon which interest shall commence and said interest rate or rates including fixed or variable rates or a combination thereof, if any, or to determine that said bonds of this Series shall not bear a stated rate of interest. If the bonds of this Series shall bear a stated rate or rates of interest, interest shall be payable semi-annually commencing on January 15, 1986, and thereafter on each succeeding July 15 and January 15 until maturity or prior redemption.

Both principal of and interest on the bonds of this Series shall be payable in lawful money of the United States of America. Principal of the bonds of this Series and interest on the coupon bonds of this Series, if any, shall be payable at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District. Interest on the registered bonds of this Series shall be payable when due to the registered holder thereof by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

Bonds of this Series shall be issued only in registered form without coupons, registered as to both principal and interest and not as to either alone; *provided, however,* if at any time prior to issuance of the first installment of the bonds of this Series, there shall be in effect a provision of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), or the regulations promulgated thereunder, which does not provide that, for the

interest on the bonds of this Series to be considered exempt from Federal income taxes under Section 103 of the Code, such bonds of this Series must be issued in registered form, then the bonds of this Series may also be issued in the form of coupon bonds payable to bearer, in which event the Committee on Finance shall and it is hereby authorized to adopt an appropriate form of coupon bond issuable only in the denomination of $5,000.

Registered bonds of this Series shall be issued in the denominations of $5,000 or integral multiples of $5,000.

SECTION 4. The Authority will keep or cause to be kept at the offices, designated by the Authority, of its Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient books for the registration of bonds of this Series. Each registered bond of this Series shall be transferable only upon such books by the registered holder thereof in person or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution.

In the event that the bonds of this Series may be issued in coupon form, a coupon bond or bonds of this Series (if any), upon the written request of the bearer or bearers thereof and upon the surrender thereof with all unmatured coupons thereto attached, may be exchanged for a registered bond or bonds, registered as designated in such request, of the same aggregate principal amount and series as the surrendered bond or bonds, of any of the authorized denominations. A registered bond or bonds of this Series, upon the written request of the registered holder or holders thereof and upon surrender thereof, may be exchanged for a registered bond or bonds, registered as designated in such request, of any other authorized denominations, or in the event that the bonds of this Series may be issued in coupon form, a coupon bond or bonds with appropriate coupons attached, or a combination of such coupon and registered bonds, in each case of the same aggregate principal amount as the surrendered bond or bonds.

All requests for the registration, transfer, exchange and delivery of bonds as above provided shall be filed with the Registrar of the Authority; all bonds to be surrendered pursuant to such request shall be surrendered to the Registrar; and all bonds delivered in exchange as aforesaid shall be delivered by the Registrar. All bonds of this Series surrendered to the Registrar in exchange for other bonds or for transfer as above provided shall be cancelled by the Registrar upon such surrender.

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of bonds of this Series, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

Nothing contained in this resolution shall be deemed to authorize the execution and delivery of bonds of this Series except in the denomination of $5,000 in the case of coupon bonds (if any) or in the denominations of $5,000 or integral multiples of $5,000 in the case of registered bonds or to authorize the issuance of coupon bonds of this Series if at any time there shall be in effect a provision of the Code or the regulations promulgated thereunder which provides that for the interest on the bonds of this Series to be considered exempt from Federal income taxes under Section 103 of the Code such bonds of this Series must be issued in registered form.

SECTION 5. Except as provided in Section 6 of this resolution, bonds of this Series shall be redeemable at the option of the Authority, in whole or in part, on interest payment dates, at or subsequent to July 15, 1995, and prior to maturity, as follows:

At one hundred three per centum (103%) of their face value, plus accrued interest to the date fixed for redemption, at July 15, 1995, and thereafter and at or prior to July 15, 1997; at one hundred two per centum (102%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to July 15, 2000; at one hundred one per centum (101%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to July 15, 2003; and at one hundred per centum (100%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to January 15, 2020.

If less than all the bonds of this Series then outstanding are to be called for redemption, the bonds so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance may determine (which said Committee is hereby authorized to fix and determine such other system or method).

Notice of intention to redeem any bonds of this Series shall be given by the Authority by publication in a daily newspaper of general circulation in the City of New York, State of New York, and also in a daily newspaper of general circulation in one or more of the following cities: the City of Boston, Commonwealth of Massachusetts; the City of Philadelphia, Commonwealth of Pennsylvania; the City of Chicago, State of Illinois; and the City of San Francisco, State of California. Such notice shall be published at least twice prior to the date fixed for redemption, the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed by the Authority or the Registrar, as the Authority may elect, not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the registered holders of the bonds of this Series to be called for redemption, at their last known addresses as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said bonds.

Before the date fixed for redemption specified in such notice, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the outstanding bonds which are to be redeemed, at the respective redemption prices thereof, which, in each case, shall include the accrued interest to the date fixed for redemption and the premium (if any), such principal amount and premium, (if any), to be held by the Paying Agent (or Paying Agents) in trust for the account of the holders of the bonds so called for redemption and to be paid to them respectively upon presentation and surrender of the said bonds with accrued interest included in such redemption price to be paid to the registered holders in accordance with the provisions of this resolution and in the case of coupon bonds (if any), such accrued interest to be paid to the holders only upon presentation and surrender of all unmatured coupons (if any) pertaining to such bonds. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the bonds so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such bonds on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the bonds so called from and after the date fixed for their redemption, and such bonds and the unmatured coupons (if any) pertaining thereto shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of registered bonds of denominations greater than $5,000, if less than all of the bonds of this Series then outstanding are to be called for redemption, then for all purposes in connection with redemption, each $5,000 unit of face value shall be treated as though it were a separate bond of the denomination of $5,000, and the word "bond" as used in the foregoing provisions of this Section 5 shall be deemed to refer to such $5,000 unit of face value. If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by any bond are to be called for redemption, then upon notice of intention to redeem said $5,000 unit or units, the holder of said bond shall forthwith present said bond to the Registrar who shall issue a new bond or bonds of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 4 of this resolution, including a new bond or bonds with the aggregate principal amount of the $5,000 unit or units of face value called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the holder thereof. If the holder of such bonds of a denomination greater than $5,000 shall fail to present such bond to the Registrar for the issuance of new bonds of smaller denominations in exchange therefor, as aforesaid, such bonds shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents, as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such bond represented by such $5,000 unit or units of face value on and after the date fixed for redemption, and such bond shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption and premium, if any) represented by such $5,000 unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 6. The Authority shall establish and maintain a separate sinking fund for the retirement of bonds of this Series which shall be known as the "Consolidated Bonds, Fifty-third Series, Due 2020, Sinking Fund." The amount required to be paid into said Sinking Fund for each year shall be the difference at July 15 of such year between the schedule amount of principal for such year and the schedule amount of principal for the next preceding year as set forth in this Section 6, determined in the manner provided in the next succeeding paragraph. Except as provided in the third paragraph of this Section 6, payments into said Sinking Fund shall be made in bonds of this Series purchased or redeemed by the Authority at or prior to May 29 of the year on account of which the payment is made. Such payments may be made at any time or times during such year at or prior to May 29 or at any time or times during any prior year. Bonds of this Series so purchased may be purchased at such prices as the Authority may deem reasonable and proper and, in the discretion of the Authority, at public or private sale, with or without advertisement and with or without notice to any person other than the seller, and bonds theretofore issued and negotiated and then held by the Authority may be purchased for such purpose as well as bonds held by others. To be eligible for payment into said Sinking Fund each such bond shall have theretofore actually been issued and negotiated by the Authority and shall either be in registered form or in coupon form (if any) with all interest coupons attached maturing on and subsequent to July 15 of the year on account of which it is paid into said Sinking Fund. Bonds paid into said Sinking Fund shall be received therein at a value equal to the principal amount of such bonds. Upon payment into said Sinking Fund of said bonds of this Series so purchased or redeemed, said bonds shall be forthwith cancelled. All bonds of this Series which shall have been redeemed at prices established by Section 5 hereof shall be deemed to have been paid into said Sinking Fund and cancelled within the requirements of the preceding sentence whether or not said bonds shall have been presented for payment upon such redemption.

The schedule amount of bonds of this Series for each year shall be determined by multiplying the aggregate principal amount of all bonds of this Series theretofore issued (whether or not any of such bonds shall have theretofore been retired) by the cumulative percentage of total principal amount specified opposite such year in the schedule of mandatory periodic retirement hereafter set forth in this Section 6; if the amount so determined shall not be a multiple of $5,000, then the schedule amount for such year shall be the next higher multiple of $5,000.

If at the close of May 29 of any year (except the year of maturity) set forth in said schedule of mandatory periodic retirement, the Authority shall not have made payment into said Sinking Fund on account of such year of an amount at least equal to the payment required to be made therein on account of such year, then the Authority shall, on May 31 of such year, pay into said Sinking Fund an amount in cash equal to the deficiency, and such amounts shall be applied to the redemption of bonds of this Series at July 15, 1995, and at July 15 of each year thereafter, in the manner and upon the notice set forth in Section 5 of this resolution, but, notwithstanding the redemption price set forth in Section 5, at the price of one hundred per centum (100%) of their face value, plus accrued interest to the date fixed for redemption, at July 15, 1995, and thereafter and at or prior to July 15, 2019.

The following schedule of mandatory periodic retirement is provided for bonds of this Series:

Year	Cumulative Percentage of Total Principal Amount	Year	Cumulative Percentage of Total Principal Amount
1995	0.5	2008	25.0
1996	1.0	2009	30.0
1997	1.5	2010	35.0
1998	2.0	2011	41.0
1999	3.0	2012	47.0
2000	4.0	2013	53.0
2001	5.5	2014	59.0
2002	7.0	2015	65.0
2003	9.0	2016	72.0
2004	11.0	2017	79.0
2005	14.0	2018	86.0
2006	17.0	2019	93.0
2007	21.0	2020	100.0

Nothing herein contained shall be construed in any way to prevent the Authority from retiring bonds of this Series more rapidly than is shown in the foregoing schedule of mandatory periodic retirement.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for purposes and upon conditions which in the case of the Consolidated Bond Reserve Fund are authorized by the Consolidated Bond Resolution or in the case of said special reserve funds are authorized by the respective resolutions establishing such prior issues of bonds.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. The Authority shall appoint a bank or trust company as Trustee for and in connection with the bonds of this Series. The Trustee is hereby authorized to (i) institute any action or proceeding on behalf of the holders of the bonds of this Series against the Authority or others, or (ii) intervene in any pending action or proceeding, or (iii) take any other action which it shall in its sole discretion determine to be necessary or advisable in order to protect the rights of the holders of bonds of this Series. The rights of the Trustee in this respect and in all other respects shall be in addition to and not in substitution of any and all rights which would otherwise inure to the holder or holders of bonds of this Series. It is understood that the Trustee in its sole discretion may, but shall be under no obligation to, review the activities or operations of the Authority or any of the contracts or agreements of the Authority or exercise any of the rights or powers vested in it by this Section 8 whether on the Trustee's initiative or at the request or direction of any of the holders of bonds of this Series.

The Trustee (which shall include any successor Trustee) appointed under the provisions of this Section shall be a bank or trust company organized under the laws of the State of New York or the State of New Jersey or a national banking association doing business and having its principal office in the Port of New York District and having a total capital (including capital stock, surplus, undivided profits and capital notes, if any) aggregating at

least $25,000,000, which is willing and able to accept the office on reasonable and customary terms and is authorized by law to perform all the duties imposed upon it by this resolution.

The Trustee shall not be liable for any action taken or suffered upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this resolution in good faith and in accordance therewith. The Trustee shall not be liable in connection with the performance or nonperformance of its duties except for its own willful misconduct, negligence or bad faith.

If the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this resolution, such matter (unless other evidence in respect thereof be specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an authorized officer of the Authority (who shall be any officer authorized pursuant to Section 9 hereof to execute bonds of this Series), and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this resolution upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a statement of an authorized officer showing for the preceding calendar year (i) net revenues, (ii) the aggregate interest paid on bonds of the Authority, and (iii) the payments of principal on bonds of the Authority.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a copy of its annual report for such year, and its financial statement for such year accompanied by an opinion signed by an independent public accountant or firm of public accountants of recognized standing selected by the Authority and satisfactory to the Trustee.

The Authority shall file with the Trustee a copy of any Official Statement hereafter issued by the Authority in connection with the issuance of bonds by the Authority.

The Authority shall file with the Trustee a copy of the minutes of every meeting of the Authority and of the Port Authority Trans-Hudson Corporation at the time said minutes are transmitted to the Governor of New York and the Governor of New Jersey.

The Authority shall not be required to file with the Trustee (except when requested to do so by the Trustee) and the Trustee shall not be required to review any document, instrument, report or paper other than those which the Authority is expressly required hereunder to file with the Trustee. The Trustee shall not be bound to make any investigation into the facts or matters stated in any document, instrument, report or paper supplied to it, but the Trustee in its sole discretion may make such further inquiry or investigation into such facts or matters as the Trustee may deem advisable, and, if the Trustee shall determine to make such further inquiry or investigation, the Trustee is authorized to examine such books and records of and properties owned or operated by the Authority as the Trustee may deem advisable, personally or by agent or attorney.

The Authority hereby agrees (i) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder, (ii) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the exercise or performance of any of its powers or duties hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), and (iii) to indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without willful misconduct, negligence or bad faith on its part, arising out of or in connection with the exercise or performance of the Trustee's powers and duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with such exercise or performance.

The Trustee may become the owner or holder of any bonds of the Authority with the same rights as it would have were it not a Trustee. To the extent permitted by law, the Trustee may act as depositary for the Authority, act as Paying Agent and Registrar of bonds of the Authority, act itself and permit any of its officers or directors to act in any other capacity with respect to the Authority, the bonds of the Authority and the holders of bonds of the Authority as it or its officers or directors would be able to act were it not a Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations created by this resolution by giving not less than sixty (60) days' written notice to the Authority and publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for two (2) successive calendar weeks in a newspaper of general circulation in the City of New York, State of New York, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the Authority in which event such resignation shall take effect immediately on the appointment of such successor.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed and acknowledged by the holders of a majority in principal amount of the bonds of this Series then outstanding or by their attorneys duly authorized, excluding any bonds held by or for the account of the Authority.

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the holders of a majority in principal amount of the bonds of this Series then outstanding, excluding any bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such bondholders or by their attorneys duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; *provided*, nevertheless, the Authority shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the holders of bonds of this Series as authorized in this Section. The Authority shall publish notice of any such appointment made by it once in each week for two (2) consecutive calendar weeks, in a newspaper of general circulation in the City of New York, State of New York, the first publication to be made within twenty (20) days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the holders of bonds of this Series.

Any company into which any Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Trustee may sell or transfer all or substantially all of its corporate trust business; *provided*, such company shall be a bank or trust company located in the Port of New York District and shall be authorized by law to perform all the duties imposed upon it by this resolution, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

The failure of the Authority to take any action required by this Section shall not invalidate any bond or bonds issued pursuant to this resolution or hereafter issued by the Authority, or affect any other actions of the Authority. The Authority shall in no way be restricted by this Section from entering any defense to an action or proceeding instituted by the Trustee or by the holder or holders of bonds of this Series.

SECTION 9. Each bond of this Series shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed by any one of the following persons, to wit:—The person holding the office or exercising the duties of Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Assistant Executive Director; Secretary; Assistant Secretary; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority at the time of its execution; *provided*, that each bond of this Series may be executed by the facsimile signature of any of the foregoing persons and, in such event, such bond shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, manually executed by the Registrar of the Authority. No bond of this Series bearing a facsimile signature of any of the foregoing persons shall be entitled to any benefit under this resolution or the Consolidated Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Registrar of the Authority, as aforesaid, and such manually executed certificate upon such bond shall be conclusive evidence that such bond has been authenticated and delivered hereunder. Such certificate of authentication on any such bond shall be deemed to have been executed by the Registrar of the Authority, as aforesaid, if signed by an authorized officer thereof, but it shall not be necessary that the same officer sign the certificate of authentication on all of such bonds issued hereunder. Bonds of this Series in coupon form (if any) shall have coupons for interest attached, bearing facsimile signatures of the Chairman and Secretary of the Authority.

The registered bonds of this Series shall be in substantially the following form, the blank spaces being appropriately filled in, and, as applicable, taking account of the changes and adjustments authorized in this resolution:

(FORM OF REGISTERED BOND)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

CONSOLIDATED BOND

FIFTY-THIRD SERIES, DUE 2020

No. C(53)-. . . .

Maturity Date: July 15, 2020 Interest Rate: . . . .% Per Annum Dated: July 15, 1985 CUSIP . . . .

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (formerly known as The Port of New York Authority and hereinafter called the Authority), a body corporate and politic, created by the Compact of April 30, 1921, between the State of New York and the State of New Jersey, to which the consent of the Congress of the United States was given by Public Resolution No. 17, 67th Congress, First Session, acknowledges itself indebted and for value received hereby promises to pay to the registered holder hereof, on the fifteenth day of July, 2020, upon presentation and surrender of this bond, the principal amount shown below: together with interest thereon at the rate of per centum (%) per annum from , payable semi-annually commencing on January 15, 1986, and thereafter on each succeeding July 15 and January 15 until maturity or prior redemption. The principal of this bond shall be payable in lawful money of the United States of America, at maturity or prior redemption upon presentation and surrender by the registered holder hereof at the office of , Paying Agent of the Authority, or the office or offices designated by the Authority of such other Paying Agent or Paying Agents appointed for the purpose by the Authority in a county which is in whole or in part in the Port of New York District. Semi-annual interest on this bond shall be payable when due, in lawful money of the United States of America, to said registered holder by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

This bond is issued pursuant to and in full conformity with the Compact between the States of New York and New Jersey creating the Authority and the various statutes of said two States amendatory thereof and supplemental thereto, for purposes provided in said Compact and statutes, and is a direct and general obligation of the Authority for the prompt payment of the principal of and interest on which the full faith and credit of the Authority are irrevocably pledged. The provisions of the resolution of October 9, 1952, establishing an issue of Consolidated Bonds, and of the resolutions of October 11, 1984, establishing the Series of which this bond forms a part and authorizing the issuance of this bond, constitute a contract between the Authority and the registered holder of this bond, which is subject to modification as therein provided.

The Authority has appointed a Trustee for and in connection with the bonds of this Series as provided by the resolution establishing the Series of which this bond forms a part.

This bond is registered as to principal and interest (but not as to either alone) and is transferable only upon the books kept by the Registrar of the Authority by the registered holder of this bond or attorney duly authorized, all in accordance with the provisions of the resolution establishing the Series of which this bond forms a part. The bonds of this Series are issuable only in the form of registered bonds without coupons in the denominations of $5,000 or integral multiples of $5,000. The registered holder of this bond or attorney duly authorized may upon application to the Registrar of the Authority exchange the same in accordance with the provisions of the resolution establishing the Series of which this bond forms a part for an equal aggregate principal amount of registered bonds of any other authorized denominations. The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of bonds of this Series including such fees as may be imposed by the Registrar for such services performed by the Registrar.

This bond may be redeemed at July 15 of any year prior to maturity beginning with 1995 to satisfy the requirements of the schedule of mandatory periodic retirement provided for bonds of this Series in and pursuant to said resolutions of the Authority at one hundred per centum (100%) of its face value, plus accrued interest to the date fixed for redemption at July 15, 1995, and thereafter and at or prior to July 15, 2019.

This bond may at the option of the Authority be redeemed for any other purpose at any interest payment date at or subsequent to July 15, 1995, as follows:

At one hundred three per centum (103%) of its face value, plus accrued interest to the date fixed for redemption, at July 15, 1995, and thereafter and at or prior to July 15, 1997; at one hundred two per centum (102%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to July 15, 2000; at one hundred one per centum (101%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to July 15, 2003; and at one hundred per centum (100%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to January 15, 2020.

If less than all the bonds of this Series then outstanding are to be called for redemption, the bonds so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance of the Authority shall fix and determine.

If this bond shall be called for redemption, notice shall be given by the Authority by publication in a daily newspaper of general circulation in the City of New York, State of New York, and also in a daily newspaper of general circulation in one or more of the following cities: the City of Boston, Commonwealth of Massachusetts; the City of Philadelphia, Commonwealth of Pennsylvania; the City of Chicago, State of Illinois; and the City of San Francisco, State of California. Such notice shall be published at least twice prior to the date fixed for redemption—the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption; and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed, not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, to the registered holder of this bond at his last known address as appearing on the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said bonds. If this bond shall be called for redemption, and if funds sufficient for the redemption price shall be deposited with the Paying Agent or Paying Agents of the Authority in trust for the account of the registered holder of this bond, and if such funds shall be available for its redemption on the date fixed for redemption, interest shall cease to accrue on this bond from and after the date fixed for redemption and this bond shall not be entitled to the benefit or security of the foregoing resolutions but shall rely solely upon the funds so deposited.

If this bond is of a denomination greater than $5,000, and if less than all of the bonds of the Series of which this bond forms a part are to be called for redemption, then for all purposes in connection with redemption, each $5,000 of face value of this bond shall be treated as though it were a separate bond of the denomination of $5,000, and the word "bond" as used in the foregoing redemption provisions shall be deemed to refer to such $5,000 unit of face value.

If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by this bond are to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units the registered holder of this bond shall forthwith present this bond to the Registrar who will issue new bonds of smaller denominations but of the same aggregate principal amount in exchange or substitution therefor, as provided in the resolution establishing the Series of which this bond forms a part, including a new bond or bonds with the aggregate principal amount of the $5,000 unit or units called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the registered holder. If the registered holder shall fail to present this bond to the Registrar for the issuance of new bonds of smaller denominations in exchange or substitution therefor as aforesaid, this bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of this bond represented by such $5,000 unit or units of face value on and after the date fixed for redemption and this bond shall not be entitled to the benefit or security of the aforesaid resolutions to the extent of the portion of its principal amount (and accrued interest thereon to the

date fixed for redemption and premium, if any) represented by such $5,000 unit or units, but to that extent shall rely solely upon the funds so deposited.

This bond is entitled to the benefit of the sinking fund established for this Series by the resolutions of the Authority hereinabove referred to.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this bond, exist, have happened and have been performed in due time, form and manner as required by the Constitutions and statutes of the States of New York and New Jersey, the Compact creating the Authority and the aforesaid resolutions of the Authority, and that the amount of this bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by said Constitutions, statutes, Compact or the Consolidated Bond Resolution.

IN WITNESS WHEREOF, The Port Authority of New York and New Jersey has caused its name to be signed hereto by its duly authorized officer, by manual or facsimile signature, and its official seal, or facsimile thereof, to be hereto affixed or printed or impressed hereon, and this bond to be dated as of the fifteenth day of July, 1985.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

. . . . . .
Authorized Officer

(END OF FORM OF REGISTERED BOND)

The certificate of authentication attached to each of the bonds of this Series which are executed by a facsimile signature on behalf of the Authority, shall be in substantially the following form, the blank spaces being appropriately filled in:

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds issued under the provisions of the within-named resolution and the Consolidated Bond Resolution.

Date of Authentication: . . . . . .

REGISTRAR
as Registrar of the Authority

By . . . . . .
Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

(Board - 10/11/84)

Each registered bond of this Series shall have provisions for assignment endorsed thereon, in substantially the following form:

(FORM OF PROVISIONS FOR ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

[ ]

. . . . . .
(Please Print or Type Name and Address of Assignee)

. . . . . .

. . . . . .
the within bond and all rights thereunder and does hereby irrevocably constitute and appoint

. . . . . Attorney
to transfer such bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

. . . . . .
(Signature of Registered Holder)

In the presence of: . . . . . .
(Witness)

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular.

(END OF FORM OF PROVISIONS FOR ASSIGNMENT)

In case any official of the Authority who shall have signed or whose facsimile signature shall appear on any of the bonds of this Series shall cease to be such official before the bonds shall have been actually issued, the bonds may nevertheless be issued as though the person who signed such bonds of this Series had not ceased to be such official of the Authority; and the Authority may, by issuing bonds bearing coupons (if any) so executed, adopt and use the facsimile signature of any person appearing on the coupons (if any), notwithstanding the fact that such person may have ceased, at the time when the bonds and coupons (if any) shall have been issued, to hold the office appearing after such person's facsimile signature on such coupons (if any).

SECTION 10. The Committee on Finance of the Authority is hereby authorized (i) prior to the issuance of the first installment of the bonds of this Series, to change the date as of which the bonds of this Series shall be dated to any date on or before October 15, 1986, and, if the date as of which the bonds of this Series shall be dated is so changed and the bonds bear a stated rate or rates of interest, the Committee shall change by the same number of days the respective dates on which interest on the bonds of this Series shall be payable; (ii) prior to the issuance of any installment of the bonds of this Series, to change the date at which any of the bonds of that installment shall mature; *provided*, that said date or dates shall not be more than thirty-five (35) years from the date as of which the bonds of this Series are dated; (iii) prior to the issuance of the first installment of the bonds of this Series, to adjust or change the respective dates in connection with the redemption, retirement, call and sinking fund provisions of the bonds of this Series; (iv) prior to the issuance of the first installment of the bonds of this Series, to adjust or change the respective dates and cumulative percentages of total principal amount provided in the schedule of mandatory sinking fund redemption to retire the entire Series at or prior to maturity or to rescind in its entirety the establishment of the mandatory sinking fund redemption schedule and provisions as to the bonds of this Series; (v) prior to the issuance of the first installment of the bonds of this Series, to reduce the percentages of face value relating to the optional call provisions for the bonds of this Series; (vi) prior to the issuance of the first installment of the bonds of this Series, to provide for the bonds of this Series to be issued in book-entry form without certificates and to be separately registrable as to principal and interest to any one or more holders; (vii) prior to the issuance of any installment of the bonds of this Series, consistent with the foregoing, to change or

adjust the provisions of the bonds of such installment thereof to permit the issuance of such bonds or installments with a fixed or variable interest rate or rates or a combination thereof; and (viii) to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 11. In case any bond or any coupon (if any) pertaining to such a bond shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new bond or coupon of like tenor and amount in exchange or substitution for and upon cancellation of said mutilated bond or coupon or in lieu of or in substitution for such destroyed or lost bond or coupon; or if such bond or coupon shall have matured, instead of issuing a substitute bond or coupon the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute bond or coupon shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such bond or coupon and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute bond or coupon or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute bond or coupon, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new bond or coupon so issued in substitution. Any bond or coupon (if any) issued under the provisions of this section in lieu of any bond or coupon alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the bond or coupon so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

Consolidated Bonds, Fifty-third Series—Authorization of Issuance

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority"), adopted a resolution providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time in conformity with said resolution for the purposes therein set forth, which said resolution (hereinafter called the "Consolidated Bond Resolution") constitutes a contract with the holders of the bonds so issued; and

WHEREAS, on the 11th day of October, 1984, the Authority adopted a resolution establishing a series of said Consolidated Bonds to be known as the "Fifty-third Series, Due 2020" (hereinafter called "bonds of this Series"), which said resolution by its terms constitutes a contract with the holders of the bonds of this Series; and

WHEREAS, the Authority has now determined that it is necessary, advisable and in the public interest to authorize the issuance of One Hundred Million Dollars ($100,000,000) in principal amount of bonds of this Series for the purposes hereinafter set forth;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions; *provided, however*, that the term "facility" herein shall not include any railroad car owned, leased or operated pursuant to Chapter 638 of the Laws of New York of 1959 and Chapter 25 of the Laws of New Jersey of 1959 or any acts amendatory or supplementary thereto.

SECTION 2. The issuance of up to One Hundred Million Dollars ($100,000,000) in principal amount of Consolidated Bonds of the Authority of the Fifty-third Series, Due 2020, is hereby authorized. Said bonds shall be issued in one or more installments or lots pursuant to and shall conform in all respects to the aforesaid Consolidated Bond Resolution and the aforesaid resolution establishing the Fifty-third Series.

SECTION 3. The bonds of this Series shall be numbered upward from C(53)-1, or they may bear such other numbers as the Chairman of the Authority; the Vice Chairman of the Authority; the Chairman of the Committee on Finance; the Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority may deem appropriate.

SECTION 4. The proceeds of the bonds of this Series shall be used (a) for purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto; *provided, however*, that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, the Committee on Finance may authorize all or any portion of the unspent proceeds of the bonds of this Series to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities of the Authority certified or to be certified after issuance of the bonds of this Series; (b) for the purpose of refunding, at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the sale of any installment of the bonds of this Series; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

SECTION 5. In the event the Committee on Finance determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of any of the bonds of this Series to purposes in connection with some but not all of the purposes authorized in Section 4 hereof, the Committee is hereby authorized, prior to the sale of bonds of any installment of this Series from time to time, to make such allocation

by resolution. The adoption by said Committee of such a resolution prior to any such sale shall be sufficient to restrict the application of the proceeds of any bonds of such installment of this Series included in said sale to the purposes specified by the Committee in said resolution.

SECTION 6. The provisions of this resolution shall constitute a contract with the holders of the bonds issued pursuant to this resolution, and with each such holder.

Consolidated Bonds, Fifty-third Series—Authorization of Sale

Pursuant to the foregoing report, the following resolution was unanimously adopted:

SECTION 1. The Committee on Finance of the Authority (hereinafter called the "Committee") is hereby authorized to sell all or any part of One Hundred Million Dollars ($100,000,000) in principal amount of Consolidated Bonds, constituting the Fifty-third Series, Due 2020 (hereinafter called the "bonds of this Series"), at a price which will result in a net interest cost to the Authority not in excess of fifteen per centum (15%) per annum to maturity, and to do so in the name of and on behalf of the Authority, at public or private sale, with or without advertisement, in one or more installments or in one or more lots, at one or more times on or before October 15, 1986, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the issuance of said bonds of this Series.

SECTION 2. The Committee shall have power, in connection with the bonds of this Series, to fix the time or times of sale on or before October 15, 1986, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 3. The Committee shall have power in the name of and on behalf of the Authority, in connection with the bonds of this Series, to enter into any appropriate contracts or agreements concerning any sales; to fix the time or times and determine the terms and conditions of delivery of said bonds of this Series; to appoint and to enter into appropriate contracts or agreements with one or more Paying Agents and a Registrar and a Trustee, and to designate the office or offices of any such Paying Agent or Paying Agents at which payments shall be made and the office or offices of any such Registrar at which the books for registration shall be kept; to enter into any appropriate contracts or agreements providing insurance in connection with said bonds of this Series; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised by the Authority as a condition precedent to the issuance of the bonds of this Series or for the purpose of determining whether all conditions precedent to their issuance exist, the Authority hereby adopting all such selections, designations, determinations, actions, withholdings of action, estimates and exercises of judgment and discretion, whether pursuant to Section 3 of the Consolidated Bond Resolution of October 9, 1952, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 4. The Committee shall have power to authorize one or more official statements in the name of and on behalf of the Authority (describing the Authority, its financial condition and the bonds offered for sale, and making representations on behalf of the Authority). The Authority hereby authorizes the purchaser or purchasers in offering the bonds of this Series for resale to use such official statement or statements and representations as those of the Authority.

SECTION 5. No part of the proceeds of the bonds of any installment of the bonds of this Series shall be invested directly or indirectly in such a manner as to cause the interest on such bonds of this Series to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

SECTION 6. The Committee or any member thereof; the Chairman of the Authority; Vice Chairman of the Authority; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized, in connection with the bonds of this Series, to take any action which may be necessary or desirable to assure that the bonds of this Series are in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and any such actions taken in connection therewith are hereby ratified. The Chairman of the Authority; Vice Chairman of the Authority; Chairman of the Committee; Executive Director; Assistant Executive Director; Chief

Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized to certify on behalf of the Authority as to the need for the issuance of bonds of this Series for the purposes for which such bonds of this Series are issued, as to the status of the projects for which the proceeds of the bonds of this Series would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee.

Consolidated Bonds, Fifty-fourth Series—Establishment

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, heretofore and on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority") adopted a resolution (hereinafter called the "Consolidated Bond Resolution") providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time, in conformity with said Consolidated Bond Resolution for the purposes therein set forth, and which Consolidated Bond Resolution constitutes a contract with the holders of the Consolidated Bonds so issued; and

WHEREAS, said Consolidated Bond Resolution provides that such Consolidated Bonds shall be issued in such series as the Authority may determine, and that the characteristics of the bonds of such series shall be determined by the Authority by and in the resolution establishing such series, and that the resolution establishing any series may contain other terms and provisions not inconsistent with the Consolidated Bond Resolution; and

WHEREAS, the Authority has heretofore established various series of said Consolidated Bonds and has now determined that it is necessary, advisable and in the public interest to establish another series of said Consolidated Bonds, without prejudice to its right hereafter to establish other and additional series of such Consolidated Bonds;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions.

SECTION 2. There is hereby established a series of said Consolidated Bonds to be known as the "Fifty-fourth Series, Due 2021," to be issued in conformity with said Consolidated Bond Resolution and for any one or more of the purposes specified therein as may be provided in the resolution authorizing the issuance of such series. This resolution shall constitute a contract with the holders of said bonds of the Fifty-fourth Series, Due 2021, which said bonds are hereinafter called "bonds of this Series," and with each such holder.

SECTION 3. Bonds of this Series shall be issued in one or more installments as the Authority may hereafter determine.

The bonds of this Series shall be dated as of January 15, 1986, shall mature on January 15, 2021, and shall bear a stated rate or rates of interest including fixed or variable rates or a combination thereof, from the semi-annual interest payment date next preceding their date of issue, or if such date of issue shall be an interest payment date, from such date of issue, not exceeding fifteen per centum (15%) per annum, as may be determined by the Committee on Finance of the Authority. The Committee on Finance is hereby authorized to fix and determine any other date as that upon which interest shall commence and said interest rate or rates including fixed or variable rates or a combination thereof, if any, or to determine that said bonds of this Series shall not bear a stated rate of interest. If the bonds of this Series shall bear a stated rate or rates of interest, interest shall be payable semi-annually commencing on July 15, 1986, and thereafter on each succeeding January 15 and July 15 until maturity or prior redemption.

Both principal of and interest on the bonds of this Series shall be payable in lawful money of the United States of America. Principal of the bonds of this Series and interest on the coupon bonds of this Series, if any, shall be payable at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District. Interest on the registered bonds of this Series shall be payable when due to the registered holder thereof by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

Bonds of this Series shall be issued only in registered form without coupons, registered as to both principal and interest and not as to either alone; *provided, however,* if at any time prior to issuance of the first installment of the bonds of this Series, there shall be in effect a provision of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), or the regulations promulgated thereunder, which does not provide that, for the

interest on the bonds of this Series to be considered exempt from Federal income taxes under Section 103 of the Code, such bonds of this Series must be issued in registered form, then the bonds of this Series may also be issued in the form of coupon bonds payable to bearer, in which event the Committee on Finance shall and it is hereby authorized to adopt an appropriate form of coupon bond issuable only in the denomination of $5,000.

Registered bonds of this Series shall be issued in the denominations of $5,000 or integral multiples of $5,000.

SECTION 4. The Authority will keep or cause to be kept at the offices, designated by the Authority, of its Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient books for the registration of bonds of this Series. Each registered bond of this Series shall be transferable only upon such books by the registered holder thereof in person or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution.

In the event that the bonds of this Series may be issued in coupon form, a coupon bond or bonds of this Series (if any), upon the written request of the bearer or bearers thereof and upon the surrender thereof with all unmatured coupons thereto attached, may be exchanged for a registered bond or bonds, registered as designated in such request, of the same aggregate principal amount and series as the surrendered bond or bonds, of any of the authorized denominations. A registered bond or bonds of this Series, upon the written request of the registered holder or holders thereof and upon surrender thereof, may be exchanged for a registered bond or bonds, registered as designated in such request, of any other authorized denominations, or in the event that the bonds of this Series may be issued in coupon form, a coupon bond or bonds with appropriate coupons attached, or a combination of such coupon and registered bonds, in each case of the same aggregate principal amount as the surrendered bond or bonds.

All requests for the registration, transfer, exchange and delivery of bonds as above provided shall be filed with the Registrar of the Authority; all bonds to be surrendered pursuant to such request shall be surrendered to the Registrar; and all bonds delivered in exchange as aforesaid shall be delivered by the Registrar. All bonds of this Series surrendered to the Registrar in exchange for other bonds or for transfer as above provided shall be cancelled by the Registrar upon such surrender.

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of bonds of this Series, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

Nothing contained in this resolution shall be deemed to authorize the execution and delivery of bonds of this Series except in the denomination of $5,000 in the case of coupon bonds (if any) or in the denominations of $5,000 or integral multiples of $5,000 in the case of registered bonds or to authorize the issuance of coupon bonds of this Series if at any time there shall be in effect a provision of the Code or the regulations promulgated thereunder which provides that for the interest on the bonds of this Series to be considered exempt from Federal income taxes under Section 103 of the Code such bonds of this Series must be issued in registered form.

SECTION 5. Except as provided in Section 6 of this resolution, bonds of this Series shall be redeemable at the option of the Authority, in whole or in part, on interest payment dates, at or subsequent to January 15, 1996, and prior to maturity, as follows:

At one hundred three per centum (103%) of their face value, plus accrued interest to the date fixed for redemption, at January 15, 1996, and thereafter and at or prior to January 15, 1998; at one hundred two per centum (102%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to January 15, 2001; at one hundred one per centum (101%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to January 15, 2004; and at one hundred per centum (100%) of their face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to July 15, 2020.

If less than all the bonds of this Series then outstanding are to be called for redemption, the bonds so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance may determine (which said Committee is hereby authorized to fix and determine such other system or method).

Notice of intention to redeem any bonds of this Series shall be given by the Authority by publication in a daily newspaper of general circulation in the City of New York, State of New York, and also in a daily newspaper of general circulation in one or more of the following cities: the City of Boston, Commonwealth of Massachusetts; the City of Philadelphia, Commonwealth of Pennsylvania; the City of Chicago, State of Illinois; and the City of San Francisco, State of California. Such notice shall be published at least twice prior to the date fixed for redemption, the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed by the Authority or the Registrar, as the Authority may elect, not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the registered holders of the bonds of this Series to be called for redemption, at their last known addresses as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said bonds.

Before the date fixed for redemption specified in such notice, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the outstanding bonds which are to be redeemed, at the respective redemption prices thereof, which, in each case, shall include the accrued interest to the date fixed for redemption and the premium (if any), such principal amount and premium, (if any), to be held by the Paying Agent (or Paying Agents) in trust for the account of the holders of the bonds so called for redemption and to be paid to them respectively upon presentation and surrender of the said bonds with accrued interest included in such redemption price to be paid to the registered holders in accordance with the provisions of this resolution and in the case of coupon bonds (if any), such accrued interest to be paid to the holders only upon presentation and surrender of all unmatured coupons (if any) pertaining to such bonds. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the bonds so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such bonds on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the bonds so called from and after the date fixed for their redemption, and such bonds and the unmatured coupons (if any) pertaining thereto shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of registered bonds of denominations greater than $5,000, if less than all of the bonds of this Series then outstanding are to be called for redemption, then for all purposes in connection with redemption, each $5,000 unit of face value shall be treated as though it were a separate bond of the denomination of $5,000, and the word "bond" as used in the foregoing provisions of this Section 5 shall be deemed to refer to such $5,000 unit of face value. If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by any bond are to be called for redemption, then upon notice of intention to redeem said $5,000 unit or units, the holder of said bond shall forthwith present said bond to the Registrar who shall issue a new bond or bonds of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 4 of this resolution, including a new bond or bonds with the aggregate principal amount of the $5,000 unit or units of face value called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the holder thereof. If the holder of such bonds of a denomination greater than $5,000 shall fail to present such bond to the Registrar for the issuance of new bonds of smaller denominations in exchange therefor, as aforesaid, such bonds shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents, as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such bond represented by such $5,000 unit or units of face value on and after the date fixed for redemption, and such bond shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption and premium, if any) represented by such $5,000 unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 6. The Authority shall establish and maintain a separate sinking fund for the retirement of bonds of this Series which shall be known as the "Consolidated Bonds, Fifty-fourth Series, Due 2021, Sinking Fund." The amount required to be paid into said Sinking Fund for each year shall be the difference at July 15 of such year between the schedule amount of principal for such year and the schedule amount of principal for the next preceding year as set forth in this Section 6, determined in the manner provided in the next succeeding paragraph. Except as provided in the third paragraph of this Section 6, payments into said Sinking Fund shall be made in bonds of this Series purchased or redeemed by the Authority at or prior to May 29 of the year on account of which the payment is made. Such payments may be made at any time or times during such year at or prior to May 29 or at any time or times during any prior year. Bonds of this Series so purchased may be purchased at such prices as the Authority may deem reasonable and proper and, in the discretion of the Authority, at public or private sale, with or without advertisement and with or without notice to any person other than the seller, and bonds theretofore issued and negotiated and then held by the Authority may be purchased for such purpose as well as bonds held by others. To be eligible for payment into said Sinking Fund each such bond shall have theretofore actually been issued and negotiated by the Authority and shall either be in registered form or in coupon form (if any) with all interest coupons attached maturing on and subsequent to July 15 of the year on account of which it is paid into said Sinking Fund. Bonds paid into said Sinking Fund shall be received therein at a value equal to the principal amount of such bonds. Upon payment into said Sinking Fund of said bonds of this Series so purchased or redeemed, said bonds shall be forthwith cancelled. All bonds of this Series which shall have been redeemed at prices established by Section 5 hereof shall be deemed to have been paid into said Sinking Fund and cancelled within the requirements of the preceding sentence whether or not said bonds shall have been presented for payment upon such redemption.

The schedule amount of bonds of this Series for each year shall be determined by multiplying the aggregate principal amount of all bonds of this Series theretofore issued (whether or not any of such bonds shall have theretofore been retired) by the cumulative percentage of total principal amount specified opposite such year in the schedule of mandatory periodic retirement hereafter set forth in this Section 6; if the amount so determined shall not be a multiple of $5,000, then the schedule amount for such year shall be the next higher multiple of $5,000.

If at the close of May 29 of any year (except the year of maturity) set forth in said schedule of mandatory periodic retirement, the Authority shall not have made payment into said Sinking Fund on account of such year of an amount at least equal to the payment required to be made therein on account of such year, then the Authority shall, on May 31 of such year, pay into said Sinking Fund an amount in cash equal to the deficiency, and such amounts shall be applied to the redemption of bonds of this Series at July 15, 1996, and at July 15 of each year thereafter, in the manner and upon the notice set forth in Section 5 of this resolution, but, notwithstanding the redemption price set forth in Section 5, at the price of one hundred per centum (100%) of their face value, plus accrued interest to the date fixed for redemption, at July 15, 1996, and thereafter and at or prior to July 15, 2020.

The following schedule of mandatory periodic retirement is provided for bonds of this Series:

Year	Cumulative Percentage of Total Principal Amount	Year	Cumulative Percentage of Total Principal Amount
1996	0.5	2009	25.0
1997	1.0	2010	30.0
1998	1.5	2011	35.0
1999	2.0	2012	41.0
2000	3.0	2013	47.0
2001	4.0	2014	53.0
2002	5.5	2015	59.0
2003	7.0	2016	65.0
2004	9.0	2017	72.0
2005	11.0	2018	79.0
2006	14.0	2019	86.0
2007	17.0	2020	93.0
2008	21.0	2021	100.0

Nothing herein contained shall be construed in any way to prevent the Authority from retiring bonds of this Series more rapidly than is shown in the foregoing schedule of mandatory periodic retirement.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for purposes and upon conditions which in the case of the Consolidated Bond Reserve Fund are authorized by the Consolidated Bond Resolution or in the case of said special reserve funds are authorized by the respective resolutions establishing such prior issues of bonds.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. The Authority shall appoint a bank or trust company as Trustee for and in connection with the bonds of this Series. The Trustee is hereby authorized to (i) institute any action or proceeding on behalf of the holders of the bonds of this Series against the Authority or others, or (ii) intervene in any pending action or proceeding, or (iii) take any other action which it shall in its sole discretion determine to be necessary or advisable in order to protect the rights of the holders of bonds of this Series. The rights of the Trustee in this respect and in all other respects shall be in addition to and not in substitution of any and all rights which would otherwise inure to the holder or holders of bonds of this Series. It is understood that the Trustee in its sole discretion may, but shall be under no obligation to, review the activities or operations of the Authority or any of the contracts or agreements of the Authority or exercise any of the rights or powers vested in it by this Section 8 whether on the Trustee's initiative or at the request or direction of any of the holders of bonds of this Series.

The Trustee (which shall include any successor Trustee) appointed under the provisions of this Section shall be a bank or trust company organized under the laws of the State of New York or the State of New Jersey or a national banking association doing business and having its principal office in the Port of New York District and having a total capital (including capital stock, surplus, undivided profits and capital notes, if any) aggregating at

least $25,000,000, which is willing and able to accept the office on reasonable and customary terms and is authorized by law to perform all the duties imposed upon it by this resolution.

The Trustee shall not be liable for any action taken or suffered upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this resolution in good faith and in accordance therewith. The Trustee shall not be liable in connection with the performance or nonperformance of its duties except for its own willful misconduct, negligence or bad faith.

If the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this resolution, such matter (unless other evidence in respect thereof be specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an authorized officer of the Authority (who shall be any officer authorized pursuant to Section 9 hereof to execute bonds of this Series), and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this resolution upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a statement of an authorized officer showing for the preceding calendar year (i) net revenues, (ii) the aggregate interest paid on bonds of the Authority, and (iii) the payments of principal on bonds of the Authority.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a copy of its annual report for such year, and its financial statement for such year accompanied by an opinion signed by an independent public accountant or firm of public accountants of recognized standing selected by the Authority and satisfactory to the Trustee.

The Authority shall file with the Trustee a copy of any Official Statement hereafter issued by the Authority in connection with the issuance of bonds by the Authority.

The Authority shall file with the Trustee a copy of the minutes of every meeting of the Authority and of the Port Authority Trans-Hudson Corporation at the time said minutes are transmitted to the Governor of New York and the Governor of New Jersey.

The Authority shall not be required to file with the Trustee (except when requested to do so by the Trustee) and the Trustee shall not be required to review any document, instrument, report or paper other than those which the Authority is expressly required hereunder to file with the Trustee. The Trustee shall not be bound to make any investigation into the facts or matters stated in any document, instrument, report or paper supplied to it, but the Trustee in its sole discretion may make such further inquiry or investigation into such facts or matters as the Trustee may deem advisable, and, if the Trustee shall determine to make such further inquiry or investigation, the Trustee is authorized to examine such books and records of and properties owned or operated by the Authority as the Trustee may deem advisable, personally or by agent or attorney.

The Authority hereby agrees (i) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder, (ii) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the exercise or performance of any of its powers or duties hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), and (iii) to indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without willful misconduct, negligence or bad faith on its part, arising out of or in connection with the exercise or performance of the Trustee's powers and duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with such exercise or performance.

The Trustee may become the owner or holder of any bonds of the Authority with the same rights as it would have were it not a Trustee. To the extent permitted by law, the Trustee may act as depositary for the Authority, act as Paying Agent and Registrar of bonds of the Authority, act itself and permit any of its officers or directors to act in any other capacity with respect to the Authority, the bonds of the Authority and the holders of bonds of the Authority as it or its officers or directors would be able to act were it not a Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations created by this resolution by giving not less than sixty (60) days' written notice to the Authority and publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for two (2) successive calendar weeks in a newspaper of general circulation in the City of New York, State of New York, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the Authority in which event such resignation shall take effect immediately on the appointment of such successor.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed and acknowledged by the holders of a majority in principal amount of the bonds of this Series then outstanding or by their attorneys duly authorized, excluding any bonds held by or for the account of the Authority.

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the holders of a majority in principal amount of the bonds of this Series then outstanding, excluding any bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such bondholders or by their attorneys duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; *provided*, nevertheless, the Authority shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the holders of bonds of this Series as authorized in this Section. The Authority shall publish notice of any such appointment made by it once in each week for two (2) consecutive calendar weeks, in a newspaper of general circulation in the City of New York, State of New York, the first publication to be made within twenty (20) days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the holders of bonds of this Series.

Any company into which any Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Trustee may sell or transfer all or substantially all of its corporate trust business; *provided*, such company shall be a bank or trust company located in the Port of New York District and shall be authorized by law to perform all the duties imposed upon it by this resolution, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

The failure of the Authority to take any action required by this Section shall not invalidate any bond or bonds issued pursuant to this resolution or hereafter issued by the Authority, or affect any other actions of the Authority. The Authority shall in no way be restricted by this Section from entering any defense to an action or proceeding instituted by the Trustee or by the holder or holders of bonds of this Series.

SECTION 9. Each bond of this Series shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed by any one of the following persons, to wit:—The person holding the office or exercising the duties of Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Assistant Executive Director; Secretary; Assistant Secretary; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority at the time of its execution; *provided*, that each bond of this Series may be executed by the facsimile signature of any of the foregoing persons and, in such event, such bond shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, manually executed by the Registrar of the Authority. No bond of this Series bearing a facsimile signature of any of the foregoing persons shall be entitled to any benefit under this resolution or the Consolidated Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Registrar of the Authority, as aforesaid, and such manually executed certificate upon such bond shall be conclusive evidence that such bond has been authenticated and delivered hereunder. Such certificate of authentication on any such bond shall be deemed to have been executed by the Registrar of the Authority, as aforesaid, if signed by an authorized officer thereof, but it shall not be necessary that the same officer sign the certificate of authentication on all of such bonds issued hereunder. Bonds of this Series in coupon form (if any) shall have coupons for interest attached, bearing facsimile signatures of the Chairman and Secretary of the Authority.

The registered bonds of this Series shall be in substantially the following form, the blank spaces being appropriately filled in, and, as applicable, taking account of the changes and adjustments authorized in this resolution:

(FORM OF REGISTERED BOND)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

CONSOLIDATED BOND

FIFTY-FOURTH SERIES, DUE 2021

No. C(54)-. . . .
Maturity Date: January 15, 2021 Interest Rate: . . . .% Per Annum Dated: January 15, 1986 CUSIP . . . .

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (formerly known as The Port of New York Authority and hereinafter called the Authority), a body corporate and politic, created by the Compact of April 30, 1921, between the State of New York and the State of New Jersey, to which the consent of the Congress of the United States was given by Public Resolution No. 17, 67th Congress, First Session, acknowledges itself indebted and for value received hereby promises to pay to the registered holder hereof, on the fifteenth day of January, 2021, upon presentation and surrender of this bond, the principal amount shown below:
together with interest thereon at the rate of per centum (%) per annum from , payable semi-annually commencing on July 15, 1986, and thereafter on each succeeding January 15 and July 15 until maturity or prior redemption. The principal of this bond shall be payable in lawful money of the United States of America, at maturity or prior redemption upon presentation and surrender by the registered holder hereof at the office of , Paying Agent of the Authority, or the office or offices designated by the Authority of such other Paying Agent or Paying Agents appointed for the purpose by the Authority in a county which is in whole or in part in the Port of New York District. Semi-annual interest on this bond shall be payable when due, in lawful money of the United States of America, to said registered holder by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

This bond is issued pursuant to and in full conformity with the Compact between the States of New York and New Jersey creating the Authority and the various statutes of said two States amendatory thereof and supplemental thereto, for purposes provided in said Compact and statutes, and is a direct and general obligation of the Authority for the prompt payment of the principal of and interest on which the full faith and credit of the Authority are irrevocably pledged. The provisions of the resolution of October 9, 1952, establishing an issue of Consolidated Bonds, and of the resolutions of October 11, 1984, establishing the Series of which this bond forms a part and authorizing the issuance of this bond, constitute a contract between the Authority and the registered holder of this bond, which is subject to modification as therein provided.

The Authority has appointed a Trustee for and in connection with the bonds of this Series as provided by the resolution establishing the Series of which this bond forms a part.

This bond is registered as to principal and interest (but not as to either alone) and is transferable only upon the books kept by the Registrar of the Authority by the registered holder of this bond or attorney duly authorized, all in accordance with the provisions of the resolution establishing the Series of which this bond forms a part. The bonds of this Series are issuable only in the form of registered bonds without coupons in the denominations of $5,000 or integral multiples of $5,000. The registered holder of this bond or attorney duly authorized may upon application to the Registrar of the Authority exchange the same in accordance with the provisions of the resolution establishing the Series of which this bond forms a part for an equal aggregate principal amount of registered bonds of any other authorized denominations. The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of bonds of this Series including such fees as may be imposed by the Registrar for such services performed by the Registrar.

This bond may be redeemed at July 15 of any year prior to maturity beginning with 1996 to satisfy the requirements of the schedule of mandatory periodic retirement provided for bonds of this Series in and pursuant to said resolutions of the Authority at one hundred per centum (100%) of its face value, plus accrued interest to the date fixed for redemption at July 15, 1996, and thereafter and at or prior to July 15, 2020.

This bond may at the option of the Authority be redeemed for any other purpose at any interest payment date at or subsequent to January 15, 1996, as follows:

At one hundred three per centum (103%) of its face value, plus accrued interest to the date fixed for redemption, at January 15, 1996, and thereafter and at or prior to January 15, 1998; at one hundred two per centum (102%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to January 15, 2001; at one hundred one per centum (101%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to January 15, 2004; and at one hundred per centum (100%) of its face value, plus accrued interest to the date fixed for redemption, thereafter and at or prior to July 15, 2020.

If less than all the bonds of this Series then outstanding are to be called for redemption, the bonds so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance of the Authority shall fix and determine.

If this bond shall be called for redemption, notice shall be given by the Authority by publication in a daily newspaper of general circulation in the City of New York, State of New York, and also in a daily newspaper of general circulation in one or more of the following cities: the City of Boston, Commonwealth of Massachusetts; the City of Philadelphia, Commonwealth of Pennsylvania; the City of Chicago, State of Illinois; and the City of San Francisco, State of California. Such notice shall be published at least twice prior to the date fixed for redemption—the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption; and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed, not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, to the registered holder of this bond at his last known address as appearing on the Registry Books of the Authority; *provided, however,* that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said bonds. If this bond shall be called for redemption, and if funds sufficient for the redemption price shall be deposited with the Paying Agent or Paying Agents of the Authority in trust for the account of the registered holder of this bond, and if such funds shall be available for its redemption on the date fixed for redemption, interest shall cease to accrue on this bond from and after the date fixed for redemption and this bond shall not be entitled to the benefit or security of the foregoing resolutions but shall rely solely upon the funds so deposited.

If this bond is of a denomination greater than $5,000, and if less than all of the bonds of the Series of which this bond forms a part are to be called for redemption, then for all purposes in connection with redemption, each $5,000 of face value of this bond shall be treated as though it were a separate bond of the denomination of $5,000, and the word "bond" as used in the foregoing redemption provisions shall be deemed to refer to such $5,000 unit of face value.

If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by this bond are to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units the registered holder of this bond shall forthwith present this bond to the Registrar who will issue new bonds of smaller denominations but of the same aggregate principal amount in exchange or substitution therefor, as provided in the resolution establishing the Series of which this bond forms a part, including a new bond or bonds with the aggregate principal amount of the $5,000 unit or units called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the registered holder. If the registered holder shall fail to present this bond to the Registrar for the issuance of new bonds of smaller denominations in exchange or substitution therefor as aforesaid, this bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of this bond represented by such $5,000 unit or units of face value on and after the date fixed for redemption and this bond shall not be entitled to the benefit or security of the aforesaid resolutions to the extent of the portion of its principal amount (and accrued interest thereon to the

date fixed for redemption and premium, if any) represented by such $5,000 unit or units, but to that extent shall rely solely upon the funds so deposited.

This bond is entitled to the benefit of the sinking fund established for this Series by the resolutions of the Authority hereinabove referred to.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this bond, exist, have happened and have been performed in due time, form and manner as required by the Constitutions and statutes of the States of New York and New Jersey, the Compact creating the Authority and the aforesaid resolutions of the Authority, and that the amount of this bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by said Constitutions, statutes, Compact or the Consolidated Bond Resolution.

IN WITNESS WHEREOF, The Port Authority of New York and New Jersey has caused its name to be signed hereto by its duly authorized officer, by manual or facsimile signature, and its official seal, or facsimile thereof, to be hereto affixed or printed or impressed hereon, and this bond to be dated as of the fifteenth day of January, 1986.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

. . . . . .
Authorized Officer

(END OF FORM OF REGISTERED BOND)

The certificate of authentication attached to each of the bonds of this Series which are executed by a facsimile signature on behalf of the Authority, shall be in substantially the following form, the blank spaces being appropriately filled in:

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds issued under the provisions of the within-named resolution and the Consolidated Bond Resolution.

Date of Authentication: . . . . . .

REGISTRAR
as Registrar of the Authority

By . . . . . .
Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

Each registered bond of this Series shall have provisions for assignment endorsed thereon, in substantially the following form:

(FORM OF PROVISIONS FOR ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

[ ]

. . . . . .
(Please Print or Type Name and Address of Assignee)

. . . . . .

. . . . . .

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint

. . . . . Attorney to transfer such bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

. . . . . .
(Signature of Registered Holder)

In the presence of: . . . . . .
(Witness)

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular.

(END OF FORM OF PROVISIONS FOR ASSIGNMENT)

In case any official of the Authority who shall have signed or whose facsimile signature shall appear on any of the bonds of this Series shall cease to be such official before the bonds shall have been actually issued, the bonds may nevertheless be issued as though the person who signed such bonds of this Series had not ceased to be such official of the Authority; and the Authority may, by issuing bonds bearing coupons (if any) so executed, adopt and use the facsimile signature of any person appearing on the coupons (if any), notwithstanding the fact that such person may have ceased, at the time when the bonds and coupons (if any) shall have been issued, to hold the office appearing after such person's facsimile signature on such coupons (if any).

SECTION 10. The Committee on Finance of the Authority is hereby authorized (i) prior to the issuance of the first installment of the bonds of this Series, to change the date as of which the bonds of this Series shall be dated to any date on or before October 15, 1986, and, if the date as of which the bonds of this Series shall be dated is so changed and the bonds bear a stated rate or rates of interest, the Committee shall change by the same number of days the respective dates on which interest on the bonds of this Series shall be payable; (ii) prior to the issuance of any installment of the bonds of this Series, to change the date at which any of the bonds of that installment shall mature; *provided*, that said date or dates shall not be more than thirty-five (35) years from the date as of which the bonds of this Series are dated; (iii) prior to the issuance of the first installment of the bonds of this Series, to adjust or change the respective dates in connection with the redemption, retirement, call and sinking fund provisions of the bonds of this Series; (iv) prior to the issuance of the first installment of the bonds of this Series, to adjust or change the respective dates and cumulative percentages of total principal amount provided in the schedule of mandatory sinking fund redemption to retire the entire Series at or prior to maturity or to rescind in its entirety the establishment of the mandatory sinking fund redemption schedule and provisions as to the bonds of this Series; (v) prior to the issuance of the first installment of the bonds of this Series, to reduce the percentages of face value relating to the optional call provisions for the bonds of this Series; (vi) prior to the issuance of the first installment of the bonds of this Series, to provide for the bonds of this Series to be issued in book-entry form without certificates and to be separately registrable as to principal and interest to any one or more holders; (vii) prior to the issuance of any installment of the bonds of this Series, consistent with the foregoing, to change or

adjust the provisions of the bonds of such installment thereof to permit the issuance of such bonds or installments with a fixed or variable interest rate or rates or a combination thereof; and (viii) to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 11. In case any bond or any coupon (if any) pertaining to such a bond shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new bond or coupon of like tenor and amount in exchange or substitution for and upon cancellation of said mutilated bond or coupon or in lieu of or in substitution for such destroyed or lost bond or coupon; or if such bond or coupon shall have matured, instead of issuing a substitute bond or coupon the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute bond or coupon shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such bond or coupon and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute bond or coupon or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute bond or coupon, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new bond or coupon so issued in substitution. Any bond or coupon (if any) issued under the provisions of this section in lieu of any bond or coupon alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the bond or coupon so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

Consolidated Bonds, Fifty-fourth Series—Authorization of Issuance

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority"), adopted a resolution providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time in conformity with said resolution for the purposes therein set forth, which said resolution (hereinafter called the "Consolidated Bond Resolution") constitutes a contract with the holders of the bonds so issued; and

WHEREAS, on the 11th day of October, 1984, the Authority adopted a resolution establishing a series of said Consolidated Bonds to be known as the "Fifty-fourth Series, Due 2021" (hereinafter called "bonds of this Series"), which said resolution by its terms constitutes a contract with the holders of the bonds of this Series; and

WHEREAS, the Authority has now determined that it is necessary, advisable and in the public interest to authorize the issuance of One Hundred Million Dollars ($100,000,000) in principal amount of bonds of this Series for the purposes hereinafter set forth;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions; *provided, however*, that the term "facility" herein shall not include any railroad car owned, leased or operated pursuant to Chapter 638 of the Laws of New York of 1959 and Chapter 25 of the Laws of New Jersey of 1959 or any acts amendatory or supplementary thereto.

SECTION 2. The issuance of up to One Hundred Million Dollars ($100,000,000) in principal amount of Consolidated Bonds of the Authority of the Fifty-fourth Series, Due 2021, is hereby authorized. Said bonds shall be issued in one or more installments or lots pursuant to and shall conform in all respects to the aforesaid Consolidated Bond Resolution and the aforesaid resolution establishing the Fifty-fourth Series.

SECTION 3. The bonds of this Series shall be numbered upward from C(54)-1, or they may bear such other numbers as the Chairman of the Authority; the Vice Chairman of the Authority; the Chairman of the Committee on Finance; the Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority may deem appropriate.

SECTION 4. The proceeds of the bonds of this Series shall be used (a) for purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto; *provided, however*, that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, the Committee on Finance may authorize all or any portion of the unspent proceeds of the bonds of this Series to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities of the Authority certified or to be certified after issuance of the bonds of this Series; (b) for the purpose of refunding, at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the sale of any installment of the bonds of this Series; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

SECTION 5. In the event the Committee on Finance determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of any of the bonds of this Series to purposes in connection with some but not all of the purposes authorized in Section 4 hereof, the Committee is hereby authorized, prior to the sale of bonds of any installment of this Series from time to time, to make such allocation by resolution. The adoption by said Committee of such a resolution prior to any such sale shall be sufficient to restrict the application of the proceeds of any bonds of such installment of this Series included in said sale to the purposes specified by the Committee in said resolution.

SECTION 6. The provisions of this resolution shall constitute a contract with the holders of the bonds issued pursuant to this resolution, and with each such holder.

Consolidated Bonds, Fifty-fourth Series—Authorization of Sale

Pursuant to the foregoing report, the following resolution was unanimously adopted:

SECTION 1. The Committee on Finance of the Authority (hereinafter called the "Committee") is hereby authorized to sell all or any part of One Hundred Million Dollars ($100,000,000) in principal amount of Consolidated Bonds, constituting the Fifty-fourth Series, Due 2021 (hereinafter called the "bonds of this Series"), at a price which will result in a net interest cost to the Authority not in excess of fifteen per centum (15%) per annum to maturity, and to do so in the name of and on behalf of the Authority, at public or private sale, with or without advertisement, in one or more installments or in one or more lots, at one or more times on or before October 15, 1986, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the issuance of said bonds of this Series.

SECTION 2. The Committee shall have power, in connection with the bonds of this Series, to fix the time or times of sale on or before October 15, 1986, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 3. The Committee shall have power in the name of and on behalf of the Authority, in connection with the bonds of this Series, to enter into any appropriate contracts or agreements concerning any sales; to fix the time or times and determine the terms and conditions of delivery of said bonds of this Series; to appoint and to enter into appropriate contracts or agreements with one or more Paying Agents and a Registrar and a Trustee, and to designate the office or offices of any such Paying Agent or Paying Agents at which payments shall be made and the office or offices of any such Registrar at which the books for registration shall be kept; to enter into any appropriate contracts or agreements providing insurance in connection with said bonds of this Series; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised by the Authority as a condition precedent to the issuance of the bonds of this Series or for the purpose of determining whether all conditions precedent to their issuance exist, the Authority hereby adopting all such selections, designations, determinations, actions, withholdings of action, estimates and exercises of judgment and discretion, whether pursuant to Section 3 of the Consolidated Bond Resolution of October 9, 1952, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 4. The Committee shall have power to authorize one or more official statements in the name of and on behalf of the Authority (describing the Authority, its financial condition and the bonds offered for sale, and making representations on behalf of the Authority). The Authority hereby authorizes the purchaser or purchasers in offering the bonds of this Series for resale to use such official statement or statements and representations as those of the Authority.

SECTION 5. No part of the proceeds of the bonds of any installment of the bonds of this Series shall be invested directly or indirectly in such a manner as to cause the interest on such bonds of this Series to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

SECTION 6. The Committee or any member thereof; the Chairman of the Authority; Vice Chairman of the Authority; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized, in connection with the bonds of this Series, to take any action which may be necessary or desirable to assure that the bonds of this Series are in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and any such actions taken in connection therewith are hereby ratified. The Chairman of the Authority; Vice Chairman of the Authority; Chairman of the Committee; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comp-

troller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized to certify on behalf of the Authority as to the need for the issuance of bonds of this Series for the purposes for which such bonds of this Series are issued, as to the status of the projects for which the proceeds of the bonds of this Series would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee.

Consolidated Notes, Series JJ—Establishment and Authorization of Issuance

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter called the "Authority") hereby finds and determines that it is necessary to provide capital funds for the purposes hereinafter set forth; and

WHEREAS, under present circumstances it is desirable and in the public interest to provide said required capital funds in part by the issuance of short-term notes in conformity with the Consolidated Bond Resolution adopted October 9, 1952;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions; *provided, however,* that the term "facility" herein shall not include any railroad car owned, leased or operated pursuant to Chapter 638 of the Laws of New York of 1959 and Chapter 25 of the Laws of New Jersey of 1959 or any acts amendatory or supplemental thereto.

SECTION 2. There is hereby established a series of negotiable notes of the Authority to be known as "Consolidated Notes, Series JJ" (hereinafter called the "Series JJ Notes" or "notes of this Series") and the issuance of up to Twenty-five Million Dollars ($25,000,000) in principal amount of such Series JJ Notes is hereby authorized. Said Series JJ Notes shall be established and issued pursuant to and shall conform in all respects to the aforesaid Consolidated Bond Resolution.

The Series JJ Notes shall be issued in one or more lots as the Authority may hereafter determine, shall be dated as of January 15, 1985, shall be of the denominations of $5,000 or integral multiples of $5,000, shall bear a stated rate or rates of interest including fixed or variable rates or a combination thereof from such date as may be determined by the Committee on Finance of the Authority, payable semi-annually commencing on July 15, 1985, and thereafter on each succeeding January 15 and July 15 until maturity or prior redemption, not in excess of twelve per centum (12%) per annum as may be determined by the Committee on Finance (which said Committee is hereby authorized to fix and determine such date upon which interest shall commence and said interest rate or rates including fixed or variable rates or a combination thereof, if any, or to determine that said Series JJ Notes shall not bear a stated rate of interest), and shall mature on January 15, 1988. Series JJ Notes shall be numbered upward from C(JJ)-1, or they may bear such other numbers as the Chairman of the Authority; the Vice Chairman of the Authority; the Chairman of the Committee on Finance; the Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority may deem appropriate.

Both principal of and interest on the notes of this Series shall be payable in lawful money of the United States of America. Principal of the notes of this Series and interest on the coupon notes of this Series (if any), shall be payable at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District. Interest on the registered notes of this Series shall be payable when due to the registered holder thereof by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

SECTION 3. The proceeds of such Series JJ Notes shall be used (a) for purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto; *provided, however,* that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), and the regulations promulgated thereunder, the Committee on Finance may authorize all or any portion of the unspent proceeds of the notes of this Series to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities of the Authority certified or to be certified after issuance of the notes of this Series; (b) for the purpose of refunding,

at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the sale of any of the notes of this Series; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

SECTION 4. Series JJ Notes shall be issued only in registered form without coupons, registered as to both principal and interest and not as to either alone; *provided, however,* if at any time prior to issuance of the notes of this Series, there shall be in effect a provision of the Code, or the regulations promulgated thereunder, which does not provide that, for the interest on said Series JJ Notes to be considered exempt from Federal income taxes under Section 103 of the Code, such Series JJ Notes must be issued in registered form, then the notes of this Series may also be issued in the form of coupon notes payable to bearer, in which event the Committee on Finance shall and it is hereby authorized to adopt an appropriate form of coupon note issuable only in the denomination of $5,000.

Registered Series JJ Notes shall be issued in the denominations of $5,000 or integral multiples of $5,000.

SECTION 5. The Authority will keep or cause to be kept at the office or offices, designated by the Authority, of its Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient books for the registration of notes of this Series. Each registered Series JJ Note shall be transferable only upon such books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution.

In the event that the notes of this Series may be issued in coupon form, a coupon note or notes of this Series (if any), upon the written request of the bearer or bearers thereof and upon the surrender thereof with all unmatured coupons thereto attached, may be exchanged for a registered note or notes, registered as designated in such request, of the same aggregate principal amount and series as the surrendered note or notes, of any of the authorized denominations. A registered note or notes of this Series, upon the written request of the registered holder or holders thereof and upon surrender thereof, may be exchanged for a registered note or notes, registered as designated in such request, of any other authorized denominations, or in the event that the notes of this Series may be issued in coupon form, a coupon note or notes with appropriate coupons attached, or a combination of such coupon and registered notes, in each case of the same aggregate principal amount as the surrendered note or notes.

All requests for the registration, transfer, exchange and delivery of notes as above provided shall be filed with the Registrar of the Authority; all notes to be surrendered pursuant to such request shall be surrendered to the Registrar; and all notes delivered in exchange as aforesaid shall be delivered by the Registrar. All notes of this Series surrendered to the Registrar in exchange for other notes or for transfer as above provided shall be cancelled by the Registrar upon such surrender.

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of notes of this Series, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

Nothing contained in this resolution shall be deemed to authorize the execution and delivery of notes of this Series except in the denomination of $5,000 in the case of coupon notes or in denominations of $5,000 or integral multiples of $5,000 in the case of registered notes or to authorize the issuance of coupon notes of this Series if at any time there shall be in effect a provision of the Code or the regulations promulgated thereunder which provides that for the interest on the notes of this Series to be considered exempt from Federal income tax under Section 103 of the Code such notes of this Series must be issued in registered form.

SECTION 6. Series JJ Notes shall be redeemable, in whole or in part, at the option of the Authority, prior to maturity at one hundred per centum (100%) of their face value on any interest payment date at or subsequent to January 15, 1987. If less than all of the notes of this Series then outstanding are to be called for redemption, the notes so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance may determine (which said Committee is hereby authorized to fix and determine such other system or method).

Notice of intention to redeem any notes of this Series shall be given by the Authority by publication in one or more daily newspapers of general circulation in the City of New York, State of New York. Such notice shall be published at least twice prior to the date fixed for redemption, the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed by the Authority or the Registrar, as the Authority may elect, not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption to the registered holders of notes of this Series to be called for redemption, at their last known addresses as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said notes.

Before the date fixed for redemption specified in such notice, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the outstanding notes which are to be redeemed, at the respective redemption prices thereof, which, in each case, shall include the accrued interest to the date fixed for redemption, such principal amount to be held by the Paying Agent (or Paying Agents) in trust for the account of the holders of the notes so called for redemption and to be paid to them respectively upon presentation and surrender of the said notes with accrued interest included in such redemption price to be paid to the registered holder in accordance with the provisions of this resolution and in the case of coupon notes (if any), such accrued interest to be paid to the holders only upon presentation and surrender of all unmatured coupons (if any) pertaining to such notes. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the notes so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such notes on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the notes so called from and after the date fixed for their redemption, and such notes and the unmatured coupons (if any) pertaining thereto shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of registered notes of denominations greater than $5,000, if less than all of the notes of this Series then outstanding are to be called for redemption, then for all purposes in connection with redemption, each $5,000 unit of face value shall be treated as though it were a separate note of the denomination of $5,000, and the word "note" as used in the foregoing provisions of this Section 6 shall be deemed to refer to such $5,000 unit of face value. If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by any note are to be called for redemption, then upon notice of intention to redeem said $5,000 unit or units, the holder of said note shall forthwith present said note to the Registrar who shall issue new notes of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 5 of this resolution, including a new note or notes with the aggregate principal amount of the $5,000 unit or units of face value called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the holder thereof. If the holder of such note of a denomination greater than $5,000 shall fail to present such note to the Registrar for the issuance of new notes of smaller denominations in exchange therefor, as aforesaid, such note shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents, as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such note represented by such $5,000 unit or units of face value on and after the date fixed for redemption, and such note shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such $5,000 unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for

the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for purposes and upon conditions which in the case of the Consolidated Bond Reserve Fund are authorized by the Consolidated Bond Resolution or in the case of said special reserve funds are authorized by the respective resolutions establishing such prior issues of bonds.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. Each Series JJ Note shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed by any one of the following persons, to wit:—The person holding the office or exercising the duties of Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Assistant Executive Director; Secretary; Assistant Secretary; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority at the time of its execution; *provided*, that each Series JJ Note may be executed by the facsimile signature of any of the foregoing persons and, in such event, such note shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, manually executed by the Registrar of the Authority. No Series JJ Note bearing a facsimile signature of any of the foregoing persons shall be entitled to any benefit under this resolution or the Consolidated Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Registrar of the Authority, as aforesaid, and such manually executed certificate upon such note shall be conclusive evidence that such note has been authenticated and delivered hereunder. Such certificate of authentication on any such note shall be deemed to have been executed by the Registrar of the Authority, as aforesaid, if signed by an authorized officer thereof, but it shall not be necessary that the same officer sign the certificate of authentication on all of such notes issued hereunder. Notes of this Series in coupon form (if any) shall have coupons for interest attached, bearing facsimile signatures of the Chairman and Secretary of the Authority.

The registered notes of this Series shall be in substantially the following form, the blank spaces being appropriately filled in, and, as applicable, taking account of the changes and adjustments authorized in this resolution:

(FORM OF REGISTERED NOTE)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

CONSOLIDATED NOTE

SERIES JJ

No. C(JJ)- .....
Maturity Date: January 15, 1988 Interest Rate: ....% Per Annum Dated: January 15, 1985 CUSIP ....

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (formerly known as The Port of New York Authority and hereinafter called the Authority), a body corporate and politic, created by the Compact of April 30, 1921, between the State of New York and the State of New Jersey, to which the consent of the Congress of the United States was given by Public Resolution No. 17, 67th Congress, First Session, acknowledges itself indebted and for value received hereby promises to pay to the registered holder hereof, on the fifteenth day of January, 1988, upon presentation and surrender of this note, the principal amount shown below:
together with interest thereon at the rate of per centum (%) per annum from , payable semi-annually commencing on July 15, 1985, and thereafter on each succeeding January 15 and July 15 until maturity or prior redemption. The principal of this note shall be payable in lawful money of the United States of America, at maturity or prior redemption upon presentation and surrender by the registered holder hereof at the office of , Paying Agent of the Authority, or the office or offices designated by the Authority of such other Paying Agent or Paying Agents appointed for the purpose by the Authority in a county which is in whole or in part in the Port of New York District. Semi-annual interest on this note shall be payable when due, in lawful money of the United States of America, to said registered holder by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

This note is issued pursuant to and in full conformity with the Compact between the States of New York and New Jersey creating the Authority and the various statutes of said two States amendatory thereof and supplemental thereto, for purposes provided in said Compact and statutes, and is a direct and general obligation of the Authority for the prompt payment of the principal of and interest on which the full faith and credit of the Authority are irrevocably pledged. The provisions of the resolution of October 9, 1952, establishing an issue of Consolidated Bonds, and of the resolution of October 11, 1984, establishing the Series of which this note forms a part and authorizing the issuance of this note, constitute a contract between the Authority and the registered holder of this note, which is subject to modification as therein provided.

This note is registered as to principal and interest (but not as to either alone) and is transferable only upon the books kept by the Registrar of the Authority by the registered holder of this note or attorney duly authorized, all in accordance with the provisions of the resolution establishing the Series of which this note forms a part and authorizing the issuance of the Series JJ Notes. The notes of this Series are issuable only in the form of registered notes without coupons in the denominations of $5,000 or integral multiples of $5,000. The registered holder of this note or attorney duly authorized may upon application to the Registrar of the Authority exchange the same in accordance with the provisions of the resolution establishing the Series of which this note forms a part for an equal aggregate principal amount of registered notes of any other authorized denominations. The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of the notes of this Series including such fees as may be imposed by the Registrar for such services performed by the Registrar.

This note may be redeemed, at the option of the Authority, prior to maturity at one hundred per centum (100%) of its face value on any interest payment date at or subsequent to January 15, 1987. If less than all the notes of this Series then outstanding are to be called for redemption, the notes so to be called shall be determined by lot by the Authority or by the Registrar as the Authority may elect or by such other system or method as the Committee on Finance of the Authority shall fix and determine.

If this note shall be called for redemption, notice shall be given by the Authority by publication in one or more daily newspapers of general circulation in the City of New York, State of New York. Such notice shall be

published at least twice prior to the date fixed for redemption,—the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption; and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed, not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, to the registered holder of this note at his last known address as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said notes. If this note shall be called for redemption, and if funds sufficient for the redemption price shall be deposited with the Paying Agent or Paying Agents of the Authority in trust for the account of the registered holder of this note, and if such funds shall be available for its redemption on the date fixed for redemption, interest shall cease to accrue on this note from and after the date fixed for redemption and this note shall not be entitled to the benefit or security of the foregoing resolutions but shall rely solely upon the funds so deposited.

If this note is of a denomination greater than $5,000, and if less than all of the notes of the Series of which this note forms a part are to be called for redemption, then for all purposes in connection with redemption, each $5,000 of face value of this note shall be treated as though it were a separate note of the denomination of $5,000, and the word "note" as used in the foregoing redemption provisions shall be deemed to refer to each such $5,000 unit of face value.

If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by this note are to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units the registered holder of this note shall forthwith present this note to the registrar who will issue new notes of smaller denominations but of the same aggregate principal amount in exchange or substitution therefor, as provided in the resolution establishing the Series of which this note forms a part, including a new note or notes with the aggregate principal amount corresponding to the aggregate principal amount and number or numbers of the $5,000 unit or units called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the registered holder. If the registered holder shall fail to present this note to the Registrar for the issuance of new notes of smaller denominations in exchange or substitution therefor as aforesaid, this note shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of this note represented by such $5,000 unit or units of face value on and after the date fixed for redemption and this note shall not be entitled to the benefit or security of the aforesaid resolutions to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such $5,000 unit or units, but to that extent shall rely solely upon the funds so deposited.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this note, exist, have happened and have been performed in due time, form and manner as required by the Constitutions and statutes of the States of New York and New Jersey, the Compact creating the Authority and the aforesaid resolutions of the Authority, and that the amount of this note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by said Constitutions, statutes, Compact or the Consolidated Bond Resolution.

IN WITNESS WHEREOF, The Port Authority of New York and New Jersey has caused its name to be signed hereto by its duly authorized officer, by manual or facsimile signature, and its official seal, or facsimile thereof, to be hereto affixed or printed or impressed hereon, and this note to be dated as of the fifteenth day of January, 1985.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

. . . . . .
Authorized Officer

(END OF FORM OF REGISTERED NOTE)

The certificate of authentication attached to each of the notes of this Series which are executed by a facsimile signature on behalf of the Authority, shall be in substantially the following form, the blank spaces being appropriately filled in:

(FORM OF CERTIFICATE OF AUTHENTICATION)

This note is one of the notes issued under the provisions of the within-named resolution and the Consolidated Bond Resolution.

Date of Authentication: .....

REGISTRAR
as Registrar of the Authority

By .....
Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

Each registered note of this Series shall have provisions for assignment endorsed thereon, in substantially the following form:

(FORM OF PROVISIONS FOR ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

.....
(Please Print or Type Name and Address of Assignee)

.....

.....
the within note and all rights thereunder and does hereby irrevocably constitute and appoint

..... Attorney
to transfer such note on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

.....
(Signature of Registered Holder)

In the presence of .....
(Witness)

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within note in every particular.

(END OF FORM OF PROVISIONS FOR ASSIGNMENT)

In case any official of the Authority who shall have signed or whose facsimile signature shall appear on any of the Series JJ Notes shall cease to be such official before the notes shall have been actually issued, the Series JJ Notes may nevertheless be issued as though the person who signed such notes had not ceased to be such official of the Authority; and the Authority may, by issuing notes bearing coupons (if any) so executed, adopt and use the facsimile signature of any person appearing on the coupons (if any), notwithstanding the fact that such person may have ceased, at the time when the notes and coupons (if any) shall have been issued, to hold the office appearing after such person's facsimile signature on such coupons (if any).

SECTION 9. The Committee on Finance of the Authority is hereby authorized prior to the issuance of any of the Series JJ Notes (i) to change the date as of which the notes of this Series shall be dated to any date on or before October 15, 1986; (ii) to change the date stated in this resolution at which any of the notes of this Series shall mature and be retired; *provided*, that said date or dates shall not be more than three (3) years from the date as of which notes of this Series are dated; (iii) to adjust or change the provisions contained in this resolution relating to the payment of interest and to the redemption, retirement, and call of the notes of this Series; *provided*, that the Committee may not change the redemption, retirement and call provisions of the notes of this Series to impose a call premium; (iv) to provide for the notes of this Series to be issued in book-entry form without certificates and to be separately registrable as to principal and interest to any one or more holders; (v) consistent with the foregoing, to change or adjust the provisions of the notes of this Series to permit the issuance of such notes with a fixed or variable interest rate or rates or a combination thereof; and (vi) to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 10. In case any note or any coupon (if any) pertaining to such a note shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new note or coupon of like tenor and amount in exchange or substitution for and upon cancellation of said mutilated note or coupon or in lieu of or in substitution for such destroyed or lost note or coupon; or if such note or coupon shall have matured, instead of issuing a substitute note or coupon the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute note or coupon shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such note or coupon and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute note or coupon or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute note or coupon, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new note or coupon so issued in substitution. Any note or coupon (if any) issued under the provisions of this section in lieu of any note or coupon alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the note or coupon so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 11. In the event the Committee on Finance determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of any of the Series JJ Notes to purposes in connection with some but not all of the purposes authorized in Section 3 hereof, the Committee is hereby authorized, prior to the sale of said Series JJ Notes from time to time, to make such allocation by resolution. The adoption by said Committee of such a resolution prior to any such sale shall be sufficient to restrict the application of the proceeds of any Series JJ Notes included in said sale to the purposes specified by the Committee in said resolution.

SECTION 12. The provisions of this resolution shall constitute a contract with the holders of the notes issued pursuant to this resolution, and with each such holder.

(Board - 10/11/84)

Consolidated Notes, Series JJ—Authorization of Sale

Pursuant to the foregoing report, the following resolution was unanimously adopted:

SECTION 1. The Committee on Finance of the Authority (hereinafter called the "Committee") is hereby authorized to sell all or any part of Twenty-five Million Dollars ($25,000,000) in principal amount of Consolidated Notes, Series JJ (hereinafter called the "Series JJ Notes"), at a price which will result in a net interest cost to the Authority not in excess of twelve per centum (12%) per annum to maturity, and to do so in the name of and on behalf of the Authority, at public or private sale, with or without advertisement, in one or more lots, at one or more times on or before October 15, 1986, and to apply the proceeds of such sale or sales as provided in the resolution establishing and authorizing the issuance of said Series JJ Notes.

SECTION 2. The Committee shall have power, in connection with the Series JJ Notes, to fix the time or times of sale on or before October 15, 1986, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 3. The Committee shall have the power in the name of and on behalf of the Authority, in connection with the Series JJ Notes, to enter into any appropriate contracts or agreements concerning any sales; to fix the time or times and determine the terms and conditions of delivery of the Series JJ Notes; to appoint and to enter into appropriate contracts or agreements with one or more Paying Agents and a Registrar, and to designate the office or offices of any such Paying Agent or Paying Agents at which payments shall be made and the office or offices of any such Registrar at which the books for registration shall be kept; to enter into any appropriate contracts or agreements providing insurance in connection with the Series JJ Notes; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised by the Authority as a condition precedent to the issuance of the Series JJ Notes or for the purpose of determining whether all conditions precedent to their issuance exist, the Authority hereby adopting all such selections, designations, determinations, actions, withholdings of action, estimates and exercises of judgment and discretion, whether pursuant to Section 3 of the Consolidated Bond Resolution of October 9, 1952, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 4. The Committee shall have power to authorize one or more official statements in the name of and on behalf of the Authority (describing the Authority, its financial condition and the notes offered for sale, and making representations on behalf of the Authority). The Authority hereby authorizes the purchaser or purchasers in offering said Series JJ Notes for resale to use such official statement or statements and representations as those of the Authority.

SECTION 5. No part of the proceeds of such Series JJ Notes shall be invested directly or indirectly in such a manner as to cause the interest on such Series JJ Notes to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

SECTION 6. The Committee or any member thereof; the Chairman of the Authority; Vice Chairman of the Authority; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized, in connection with the Series JJ Notes, to take any action which may be necessary or desirable to assure that the Series JJ Notes are in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and any such actions taken in connection therewith are hereby ratified. The Chairman of the Authority; Vice Chairman of the Authority; Chairman of the Committee; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized to certify on behalf of the Authority as to the need for the issuance of the Series JJ Notes for the purposes for which the Series JJ Notes are issued, as to the status of the projects for which the proceeds of the Series JJ Notes would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee.

Consolidated Notes, Series KK—Establishment and Authorization of Issuance

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter called the "Authority") hereby finds and determines that it is necessary to provide capital funds for the purposes hereinafter set forth; and

WHEREAS, under present circumstances it is desirable and in the public interest to provide said required capital funds in part by the issuance of short-term notes in conformity with the Consolidated Bond Resolution adopted October 9, 1952;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions; *provided, however,* that the term "facility" herein shall not include any railroad car owned, leased or operated pursuant to Chapter 638 of the Laws of New York of 1959 and Chapter 25 of the Laws of New Jersey of 1959 or any acts amendatory or supplemental thereto.

SECTION 2. There is hereby established a series of negotiable notes of the Authority to be known as "Consolidated Notes, Series KK" (hereinafter called the "Series KK Notes" or "notes of this Series") and the issuance of up to Twenty-five Million Dollars ($25,000,000) in principal amount of such Series KK Notes is hereby authorized. Said Series KK Notes shall be established and issued pursuant to and shall conform in all respects to the aforesaid Consolidated Bond Resolution.

The Series KK Notes shall be issued in one or more lots as the Authority may hereafter determine, shall be dated as of July 15, 1985, shall be of the denominations of $5,000 or integral multiples of $5,000, shall bear a stated rate or rates of interest including fixed or variable rates or a combination thereof from such date as may be determined by the Committee on Finance of the Authority, payable semi-annually commencing on January 15, 1986, and thereafter on each succeeding July 15 and January 15 until maturity or prior redemption, not in excess of twelve per centum (12%) per annum as may be determined by the Committee on Finance (which said Committee is hereby authorized to fix and determine such date upon which interest shall commence and said interest rate or rates including fixed or variable rates or a combination thereof, if any, or to determine that said Series KK Notes shall not bear a stated rate of interest), and shall mature on July 15, 1988. Series KK Notes shall be numbered upward from C(KK)-1, or they may bear such other numbers as the Chairman of the Authority; the Vice Chairman of the Authority; the Chairman of the Committee on Finance; the Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority may deem appropriate.

Both principal of and interest on the notes of this Series shall be payable in lawful money of the United States of America. Principal of the notes of this Series and interest on the coupon notes of this Series (if any), shall be payable at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District. Interest on the registered notes of this Series shall be payable when due to the registered holder thereof by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

SECTION 3. The proceeds of such Series KK Notes shall be used (a) for purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto; *provided, however,* that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), and the regulations promulgated thereunder, the Committee on Finance may authorize all or any portion of the unspent proceeds of the notes of this Series to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities

of the Authority certified or to be certified after issuance of the notes of this Series; (b) for the purpose of refunding, at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the sale of any of the notes of this Series; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

SECTION 4. Series KK Notes shall be issued only in registered form without coupons, registered as to both principal and interest and not as to either alone; *provided, however,* if at any time prior to issuance of the notes of this Series, there shall be in effect a provision of the Code, or the regulations promulgated thereunder, which does not provide that, for the interest on said Series KK Notes to be considered exempt from Federal income taxes under Section 103 of the Code, such Series KK Notes must be issued in registered form, then the notes of this Series may also be issued in the form of coupon notes payable to bearer, in which event the Committee on Finance shall and it is hereby authorized to adopt an appropriate form of coupon note issuable only in the denomination of $5,000.

Registered Series KK Notes shall be issued in the denominations of $5,000 or integral multiples of $5,000.

SECTION 5. The Authority will keep or cause to be kept at the office or offices, designated by the Authority, of its Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient books for the registration of notes of this Series. Each registered Series KK Note shall be transferable only upon such books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution.

In the event that the notes of this Series may be issued in coupon form, a coupon note or notes of this Series (if any), upon the written request of the bearer or bearers thereof and upon the surrender thereof with all unmatured coupons thereto attached, may be exchanged for a registered note or notes, registered as designated in such request, of the same aggregate principal amount and series as the surrendered note or notes, of any of the authorized denominations. A registered note or notes of this Series, upon the written request of the registered holder or holders thereof and upon surrender thereof, may be exchanged for a registered note or notes, registered as designated in such request, of any other authorized denominations, or in the event that the notes of this Series may be issued in coupon form, a coupon note or notes with appropriate coupons attached, or a combination of such coupon and registered notes, in each case of the same aggregate principal amount as the surrendered note or notes.

All requests for the registration, transfer, exchange and delivery of notes as above provided shall be filed with the Registrar of the Authority; all notes to be surrendered pursuant to such request shall be surrendered to the Registrar; and all notes delivered in exchange as aforesaid shall be delivered by the Registrar. All notes of this Series surrendered to the Registrar in exchange for other notes or for transfer as above provided shall be cancelled by the Registrar upon such surrender.

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of notes of this Series, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

Nothing contained in this resolution shall be deemed to authorize the execution and delivery of notes of this Series except in the denomination of $5,000 in the case of coupon notes or in denominations of $5,000 or integral multiples of $5,000 in the case of registered notes or to authorize the issuance of coupon notes of this Series if at any time there shall be in effect a provision of the Code or the regulations promulgated thereunder which provides that for the interest on the notes of this Series to be considered exempt from Federal income tax under Section 103 of the Code such notes of this Series must be issued in registered form.

SECTION 6. Series KK Notes shall be redeemable, in whole or in part, at the option of the Authority, prior to maturity at one hundred per centum (100%) of their face value on any interest payment date at or subsequent to July 15, 1987. If less than all of the notes of this Series then outstanding are to be called for redemption, the notes so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance may determine (which said Committee is hereby authorized to fix and determine such other system or method).

Notice of intention to redeem any notes of this Series shall be given by the Authority by publication in one or more daily newspapers of general circulation in the City of New York, State of New York. Such notice shall be published at least twice prior to the date fixed for redemption, the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed by the Authority or the Registrar, as the Authority may elect, not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption to the registered holders of notes of this Series to be called for redemption, at their last known addresses as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said notes.

Before the date fixed for redemption specified in such notice, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the outstanding notes which are to be redeemed, at the respective redemption prices thereof, which, in each case, shall include the accrued interest to the date fixed for redemption, such principal amount to be held by the Paying Agent (or Paying Agents) in trust for the account of the holders of the notes so called for redemption and to be paid to them respectively upon presentation and surrender of the said notes with accrued interest included in such redemption price to be paid to the registered holder in accordance with the provisions of this resolution and in the case of coupon notes (if any), such accrued interest to be paid to the holders only upon presentation and surrender of all unmatured coupons (if any) pertaining to such notes. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the notes so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such notes on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the notes so called from and after the date fixed for their redemption, and such notes and the unmatured coupons (if any) pertaining thereto shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of registered notes of denominations greater than $5,000, if less than all of the notes of this Series then outstanding are to be called for redemption, then for all purposes in connection with redemption, each $5,000 unit of face value shall be treated as though it were a separate note of the denomination of $5,000, and the word "note" as used in the foregoing provisions of this Section 6 shall be deemed to refer to such $5,000 unit of face value. If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by any note are to be called for redemption, then upon notice of intention to redeem said $5,000 unit or units, the holder of said note shall forthwith present said note to the Registrar who shall issue new notes of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 5 of this resolution, including a new note or notes with the aggregate principal amount of the $5,000 unit or units of face value called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the holder thereof. If the holder of such note of a denomination greater than $5,000 shall fail to present such note to the Registrar for the issuance of new notes of smaller denominations in exchange therefor, as aforesaid, such note shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents, as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such note represented by such $5,000 unit or units of face value on and after the date fixed for redemption, and such note shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such $5,000 unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for

the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for purposes and upon conditions which in the case of the Consolidated Bond Reserve Fund are authorized by the Consolidated Bond Resolution or in the case of said special reserve funds are authorized by the respective resolutions establishing such prior issues of bonds.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. Each Series KK Note shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed by any one of the following persons, to wit:—The person holding the office or exercising the duties of Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Assistant Executive Director; Secretary; Assistant Secretary; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority at the time of its execution; *provided*, that each Series KK Note may be executed by the facsimile signature of any of the foregoing persons and, in such event, such note shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, manually executed by the Registrar of the Authority. No Series KK Note bearing a facsimile signature of any of the foregoing persons shall be entitled to any benefit under this resolution or the Consolidated Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Registrar of the Authority, as aforesaid, and such manually executed certificate upon such note shall be conclusive evidence that such note has been authenticated and delivered hereunder. Such certificate of authentication on any such note shall be deemed to have been executed by the Registrar of the Authority, as aforesaid, if signed by an authorized officer thereof, but it shall not be necessary that the same officer sign the certificate of authentication on all of such notes issued hereunder. Notes of this Series in coupon form (if any) shall have coupons for interest attached, bearing facsimile signatures of the Chairman and Secretary of the Authority.

The registered notes of this Series shall be in substantially the following form, the blank spaces being appropriately filled in, and, as applicable, taking account of the changes and adjustments authorized in this resolution:

(FORM OF REGISTERED NOTE)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

CONSOLIDATED NOTE

SERIES KK

No. C(KK)- .....

Maturity Date: July 15, 1988 Interest Rate: .....% Per Annum Dated: July 15, 1985 CUSIP .....

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (formerly known as The Port of New York Authority and hereinafter called the Authority), a body corporate and politic, created by the Compact of April 30, 1921, between the State of New York and the State of New Jersey, to which the consent of the Congress of the United States was given by Public Resolution No. 17, 67th Congress, First Session, acknowledges itself indebted and for value received hereby promises to pay to the registered holder hereof, on the fifteenth day of July, 1988, upon presentation and surrender of this note, the principal amount shown below: together with interest thereon at the rate of per centum (%) per annum from , payable semi-annually commencing on January 15, 1986, and thereafter on each succeeding July 15 and January 15 until maturity or prior redemption. The principal of this note shall be payable in lawful money of the United States of America, at maturity or prior redemption upon presentation and surrender by the registered holder hereof at the office of , Paying Agent of the Authority, or the office or offices designated by the Authority of such other Paying Agent or Paying Agents appointed for the purpose by the Authority in a county which is in whole or in part in the Port of New York District. Semi-annual interest on this note shall be payable when due, in lawful money of the United States of America, to said registered holder by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

This note is issued pursuant to and in full conformity with the Compact between the States of New York and New Jersey creating the Authority and the various statutes of said two States amendatory thereof and supplemental thereto, for purposes provided in said Compact and statutes, and is a direct and general obligation of the Authority for the prompt payment of the principal of and interest on which the full faith and credit of the Authority are irrevocably pledged. The provisions of the resolution of October 9, 1952, establishing an issue of Consolidated Bonds, and of the resolution of October 11, 1984, establishing the Series of which this note forms a part and authorizing the issuance of this note, constitute a contract between the Authority and the registered holder of this note, which is subject to modification as therein provided.

This note is registered as to principal and interest (but not as to either alone) and is transferable only upon the books kept by the Registrar of the Authority by the registered holder of this note or attorney duly authorized, all in accordance with the provisions of the resolution establishing the Series of which this note forms a part and authorizing the issuance of the Series KK Notes. The notes of this Series are issuable only in the form of registered notes without coupons in the denominations of $5,000 or integral multiples of $5,000. The registered holder of this note or attorney duly authorized may upon application to the Registrar of the Authority exchange the same in accordance with the provisions of the resolution establishing the Series of which this note forms a part for an equal aggregate principal amount of registered notes of any other authorized denominations. The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of the notes of this Series including such fees as may be imposed by the Registrar for such services performed by the Registrar.

This note may be redeemed, at the option of the Authority, prior to maturity at one hundred per centum (100%) of its face value on any interest payment date at or subsequent to July 15, 1987. If less than all the notes of this Series then outstanding are to be called for redemption, the notes so to be called shall be determined by lot by the Authority or by the Registrar as the Authority may elect or by such other system or method as the Committee on Finance of the Authority shall fix and determine.

(Board - 10/11/84)

If this note shall be called for redemption, notice shall be given by the Authority by publication in one or more daily newspapers of general circulation in the City of New York, State of New York. Such notice shall be published at least twice prior to the date fixed for redemption,—the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption; and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed, not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, to the registered holder of this note at his last known address as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said notes. If this note shall be called for redemption, and if funds sufficient for the redemption price shall be deposited with the Paying Agent or Paying Agents of the Authority in trust for the account of the registered holder of this note, and if such funds shall be available for its redemption on the date fixed for redemption, interest shall cease to accrue on this note from and after the date fixed for redemption and this note shall not be entitled to the benefit or security of the foregoing resolutions but shall rely solely upon the funds so deposited.

If this note is of a denomination greater than $5,000, and if less than all of the notes of the Series of which this note forms a part are to be called for redemption, then for all purposes in connection with redemption, each $5,000 of face value of this note shall be treated as though it were a separate note of the denomination of $5,000, and the word "note" as used in the foregoing redemption provisions shall be deemed to refer to each such $5,000 unit of face value.

If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by this note are to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units the registered holder of this note shall forthwith present this note to the registrar who will issue new notes of smaller denominations but of the same aggregate principal amount in exchange or substitution therefor, as provided in the resolution establishing the Series of which this note forms a part, including a new note or notes with the aggregate principal amount corresponding to the aggregate principal amount and number or numbers of the $5,000 unit or units called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the registered holder. If the registered holder shall fail to present this note to the Registrar for the issuance of new notes of smaller denominations in exchange or substitution therefor as aforesaid, this note shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of this note represented by such $5,000 unit or units of face value on and after the date fixed for redemption and this note shall not be entitled to the benefit or security of the aforesaid resolutions to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such $5,000 unit or units, but to that extent shall rely solely upon the funds so deposited.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this note, exist, have happened and have been performed in due time, form and manner as required by the Constitutions and statutes of the States of New York and New Jersey, the Compact creating the Authority and the aforesaid resolutions of the Authority, and that the amount of this note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by said Constitutions, statutes, Compact or the Consolidated Bond Resolution.

IN WITNESS WHEREOF, The Port Authority of New York and New Jersey has caused its name to be signed hereto by its duly authorized officer, by manual or facsimile signature, and its official seal, or facsimile thereof, to be hereto affixed or printed or impressed hereon, and this note to be dated as of the fifteenth day of July, 1985.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

. . . . . .
Authorized Officer

(END OF FORM OF REGISTERED NOTE)

(Board - 10/11/84)

The certificate of authentication attached to each of the notes of this Series which are executed by a facsimile signature on behalf of the Authority, shall be in substantially the following form, the blank spaces being appropriately filled in:

(FORM OF CERTIFICATE OF AUTHENTICATION)

This note is one of the notes issued under the provisions of the within-named resolution and the Consolidated Bond Resolution.

Date of Authentication: .....

REGISTRAR
as Registrar of the Authority

By .....
Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

Each registered note of this Series shall have provisions for assignment endorsed thereon, in substantially the following form:

(FORM OF PROVISIONS FOR ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

.....
(Please Print or Type Name and Address of Assignee)

.....

.....
the within note and all rights thereunder and does hereby irrevocably constitute and appoint

..... Attorney
to transfer such note on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

.....
(Signature of Registered Holder)

In the presence of .....
(Witness)

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within note in every particular.

(END OF FORM OF PROVISIONS FOR ASSIGNMENT)

In case any official of the Authority who shall have signed or whose facsimile signature shall appear on any of the Series KK Notes shall cease to be such official before the notes shall have been actually issued, the Series KK Notes may nevertheless be issued as though the person who signed such notes had not ceased to be such official of the Authority; and the Authority may, by issuing notes bearing coupons (if any) so executed, adopt and use the facsimile signature of any person appearing on the coupons (if any), notwithstanding the fact that such person may have ceased, at the time when the notes and coupons (if any) shall have been issued, to hold the office appearing after such person's facsimile signature on such coupons (if any).

SECTION 9. The Committee on Finance of the Authority is hereby authorized prior to the issuance of any of the Series KK Notes (i) to change the date as of which the notes of this Series shall be dated to any date on or before October 15, 1986; (ii) to change the date stated in this resolution at which any of the notes of this Series shall mature and be retired; *provided*, that said date or dates shall not be more than three (3) years from the date as of which notes of this Series are dated; (iii) to adjust or change the provisions contained in this resolution relating to the payment of interest and to the redemption, retirement, and call of the notes of this Series; *provided*, that the Committee may not change the redemption, retirement and call provisions of the notes of this Series to impose a call premium; (iv) to provide for the notes of this Series to be issued in book-entry form without certificates and to be separately registrable as to principal and interest to any one or more holders; (v) consistent with the foregoing, to change or adjust the provisions of the notes of this Series to permit the issuance of such notes with a fixed or variable interest rate or rates or a combination thereof; and (vi) to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 10. In case any note or any coupon (if any) pertaining to such a note shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new note or coupon of like tenor and amount in exchange or substitution for and upon cancellation of said mutilated note or coupon or in lieu of or in substitution for such destroyed or lost note or coupon; or if such note or coupon shall have matured, instead of issuing a substitute note or coupon the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute note or coupon shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such note or coupon and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute note or coupon or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute note or coupon, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new note or coupon so issued in substitution. Any note or coupon (if any) issued under the provisions of this section in lieu of any note or coupon alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the note or coupon so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 11. In the event the Committee on Finance determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of any of the Series KK Notes to purposes in connection with some but not all of the purposes authorized in Section 3 hereof, the Committee is hereby authorized, prior to the sale of said Series KK Notes from time to time, to make such allocation by resolution. The adoption by said Committee of such a resolution prior to any such sale shall be sufficient to restrict the application of the proceeds of any Series KK Notes included in said sale to the purposes specified by the Committee in said resolution.

SECTION 12. The provisions of this resolution shall constitute a contract with the holders of the notes issued pursuant to this resolution, and with each such holder.

Consolidated Notes, Series KK—Authorization of Sale

Pursuant to the foregoing report, the following resolution was unanimously adopted:

SECTION 1. The Committee on Finance of the Authority (hereinafter called the "Committee") is hereby authorized to sell all or any part of Twenty-five Million Dollars ($25,000,000) in principal amount of Consolidated Notes, Series KK (hereinafter called the "Series KK Notes"), at a price which will result in a net interest cost to the Authority not in excess of twelve per centum (12%) per annum to maturity, and to do so in the name of and on behalf of the Authority, at public or private sale, with or without advertisement, in one or more lots, at one or more times on or before October 15, 1986, and to apply the proceeds of such sale or sales as provided in the resolution establishing and authorizing the issuance of said Series KK Notes.

SECTION 2. The Committee shall have power, in connection with the Series KK Notes, to fix the time or times of sale on or before October 15, 1986, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 3. The Committee shall have the power in the name of and on behalf of the Authority, in connection with the Series KK Notes, to enter into any appropriate contracts or agreements concerning any sales; to fix the time or times and determine the terms and conditions of delivery of the Series KK Notes; to appoint and to enter into appropriate contracts or agreements with one or more Paying Agents and a Registrar, and to designate the office or offices of any such Paying Agent or Paying Agents at which payments shall be made and the office or offices of any such Registrar at which the books for registration shall be kept; to enter into any appropriate contracts or agreements providing insurance in connection with the Series KK Notes; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised by the Authority as a condition precedent to the issuance of the Series KK Notes or for the purpose of determining whether all conditions precedent to their issuance exist, the Authority hereby adopting all such selections, designations, determinations, actions, withholdings of action, estimates and exercises of judgment and discretion, whether pursuant to Section 3 of the Consolidated Bond Resolution of October 9, 1952, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 4. The Committee shall have power to authorize one or more official statements in the name of and on behalf of the Authority (describing the Authority, its financial condition and the notes offered for sale, and making representations on behalf of the Authority). The Authority hereby authorizes the purchaser or purchasers in offering said Series KK Notes for resale to use such official statement or statements and representations as those of the Authority.

SECTION 5. No part of the proceeds of such Series KK Notes shall be invested directly or indirectly in such a manner as to cause the interest on such Series KK Notes to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

SECTION 6. The Committee or any member thereof; the Chairman of the Authority; Vice Chairman of the Authority; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized, in connection with the Series KK Notes, to take any action which may be necessary or desirable to assure that the Series KK Notes are in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and any such actions taken in connection therewith are hereby ratified. The Chairman of the Authority; Vice Chairman of the Authority; Chairman of the Committee; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby

authorized to certify on behalf of the Authority as to the need for the issuance of the Series KK Notes for the purposes for which the Series KK Notes are issued, as to the status of the projects for which the proceeds of the Series KK Notes would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee.

(Board - 10/11/84)

Consolidated Notes, Series LL—Establishment and Authorization of Issuance

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter called the "Authority") hereby finds and determines that it is necessary to provide capital funds for the purposes hereinafter set forth; and

WHEREAS, under present circumstances it is desirable and in the public interest to provide said required capital funds in part by the issuance of short-term notes in conformity with the Consolidated Bond Resolution adopted October 9, 1952;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions; *provided, however,* that the term "facility" herein shall not include any railroad car owned, leased or operated pursuant to Chapter 638 of the Laws of New York of 1959 and Chapter 25 of the Laws of New Jersey of 1959 or any acts amendatory or supplemental thereto.

SECTION 2. There is hereby established a series of negotiable notes of the Authority to be known as "Consolidated Notes, Series LL" (hereinafter called the "Series LL Notes" or "notes of this Series") and the issuance of up to Twenty-five Million Dollars ($25,000,000) in principal amount of such Series LL Notes is hereby authorized. Said Series LL Notes shall be established and issued pursuant to and shall conform in all respects to the aforesaid Consolidated Bond Resolution.

The Series LL Notes shall be issued in one or more lots as the Authority may hereafter determine, shall be dated as of January 15, 1986, shall be of the denominations of $5,000 or integral multiples of $5,000, shall bear a stated rate or rates of interest including fixed or variable rates or a combination thereof from such date as may be determined by the Committee on Finance of the Authority, payable semi-annually commencing on July 15, 1986, and thereafter on each succeeding January 15 and July 15 until maturity or prior redemption, not in excess of twelve per centum (12%) per annum as may be determined by the Committee on Finance (which said Committee is hereby authorized to fix and determine such date upon which interest shall commence and said interest rate or rates including fixed or variable rates or a combination thereof, if any, or to determine that said Series LL Notes shall not bear a stated rate of interest), and shall mature on January 15, 1989. Series LL Notes shall be numbered upward from C(LL)-1, or they may bear such other numbers as the Chairman of the Authority; the Vice Chairman of the Authority; the Chairman of the Committee on Finance; the Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority may deem appropriate.

Both principal of and interest on the notes of this Series shall be payable in lawful money of the United States of America. Principal of the notes of this Series and interest on the coupon notes of this Series (if any), shall be payable at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District. Interest on the registered notes of this Series shall be payable when due to the registered holder thereof by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

SECTION 3. The proceeds of such Series LL Notes shall be used (a) for purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto; *provided, however,* that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), and the regulations promulgated thereunder, the Committee on Finance may authorize all or any portion of the unspent proceeds of the notes of this Series to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities

of the Authority certified or to be certified after issuance of the notes of this Series; (b) for the purpose of refunding, at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the sale of any of the notes of this Series; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

SECTION 4. Series LL Notes shall be issued only in registered form without coupons, registered as to both principal and interest and not as to either alone; *provided, however,* if at any time prior to issuance of the notes of this Series, there shall be in effect a provision of the Code, or the regulations promulgated thereunder, which does not provide that, for the interest on said Series LL Notes to be considered exempt from Federal income taxes under Section 103 of the Code, such Series LL Notes must be issued in registered form, then the notes of this Series may also be issued in the form of coupon notes payable to bearer, in which event the Committee on Finance shall and it is hereby authorized to adopt an appropriate form of coupon note issuable only in the denomination of $5,000.

Registered Series LL Notes shall be issued in the denominations of $5,000 or integral multiples of $5,000.

SECTION 5. The Authority will keep or cause to be kept at the office or offices, designated by the Authority, of its Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient books for the registration of notes of this Series. Each registered Series LL Note shall be transferable only upon such books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution.

In the event that the notes of this Series may be issued in coupon form, a coupon note or notes of this Series (if any), upon the written request of the bearer or bearers thereof and upon the surrender thereof with all unmatured coupons thereto attached, may be exchanged for a registered note or notes, registered as designated in such request, of the same aggregate principal amount and series as the surrendered note or notes, of any of the authorized denominations. A registered note or notes of this Series, upon the written request of the registered holder or holders thereof and upon surrender thereof, may be exchanged for a registered note or notes, registered as designated in such request, of any other authorized denominations, or in the event that the notes of this Series may be issued in coupon form, a coupon note or notes with appropriate coupons attached, or a combination of such coupon and registered notes, in each case of the same aggregate principal amount as the surrendered note or notes.

All requests for the registration, transfer, exchange and delivery of notes as above provided shall be filed with the Registrar of the Authority; all notes to be surrendered pursuant to such request shall be surrendered to the Registrar; and all notes delivered in exchange as aforesaid shall be delivered by the Registrar. All notes of this Series surrendered to the Registrar in exchange for other notes or for transfer as above provided shall be cancelled by the Registrar upon such surrender.

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of notes of this Series, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

Nothing contained in this resolution shall be deemed to authorize the execution and delivery of notes of this Series except in the denomination of $5,000 in the case of coupon notes or in denominations of $5,000 or integral multiples of $5,000 in the case of registered notes or to authorize the issuance of coupon notes of this Series if at any time there shall be in effect a provision of the Code or the regulations promulgated thereunder which provides that for the interest on the notes of this Series to be considered exempt from Federal income tax under Section 103 of the Code such notes of this Series must be issued in registered form.

SECTION 6. Series LL Notes shall be redeemable, in whole or in part, at the option of the Authority, prior to maturity at one hundred per centum (100%) of their face value on any interest payment date at or subsequent to January 15, 1988. If less than all of the notes of this Series then outstanding are to be called for redemption, the notes so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance may determine (which said Committee is hereby authorized to fix and determine such other system or method).

Notice of intention to redeem any notes of this Series shall be given by the Authority by publication in one or more daily newspapers of general circulation in the City of New York, State of New York. Such notice shall be published at least twice prior to the date fixed for redemption, the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed by the Authority or the Registrar, as the Authority may elect, not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption to the registered holders of notes of this Series to be called for redemption, at their last known addresses as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said notes.

Before the date fixed for redemption specified in such notice, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the outstanding notes which are to be redeemed, at the respective redemption prices thereof, which, in each case, shall include the accrued interest to the date fixed for redemption, such principal amount to be held by the Paying Agent (or Paying Agents) in trust for the account of the holders of the notes so called for redemption and to be paid to them respectively upon presentation and surrender of the said notes with accrued interest included in such redemption price to be paid to the registered holder in accordance with the provisions of this resolution and in the case of coupon notes (if any), such accrued interest to be paid to the holders only upon presentation and surrender of all unmatured coupons (if any) pertaining to such notes. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the notes so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such notes on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the notes so called from and after the date fixed for their redemption, and such notes and the unmatured coupons (if any) pertaining thereto shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of registered notes of denominations greater than $5,000, if less than all of the notes of this Series then outstanding are to be called for redemption, then for all purposes in connection with redemption, each $5,000 unit of face value shall be treated as though it were a separate note of the denomination of $5,000, and the word "note" as used in the foregoing provisions of this Section 6 shall be deemed to refer to such $5,000 unit of face value. If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by any note are to be called for redemption, then upon notice of intention to redeem said $5,000 unit or units, the holder of said note shall forthwith present said note to the Registrar who shall issue new notes of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 5 of this resolution, including a new note or notes with the aggregate principal amount of the $5,000 unit or units of face value called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the holder thereof. If the holder of such note of a denomination greater than $5,000 shall fail to present such note to the Registrar for the issuance of new notes of smaller denominations in exchange therefor, as aforesaid, such note shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents, as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such note represented by such $5,000 unit or units of face value on and after the date fixed for redemption, and such note shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such $5,000 unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon

bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for purposes and upon conditions which in the case of the Consolidated Bond Reserve Fund are authorized by the Consolidated Bond Resolution or in the case of said special reserve funds are authorized by the respective resolutions establishing such prior issues of bonds.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. Each Series LL Note shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed by any one of the following persons, to wit:—The person holding the office or exercising the duties of Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Assistant Executive Director; Secretary; Assistant Secretary; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority at the time of its execution; *provided*, that each Series LL Note may be executed by the facsimile signature of any of the foregoing persons and, in such event, such note shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, manually executed by the Registrar of the Authority. No Series LL Note bearing a facsimile signature of any of the foregoing persons shall be entitled to any benefit under this resolution or the Consolidated Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Registrar of the Authority, as aforesaid, and such manually executed certificate upon such note shall be conclusive evidence that such note has been authenticated and delivered hereunder. Such certificate of authentication on any such note shall be deemed to have been executed by the Registrar of the Authority, as aforesaid, if signed by an authorized officer thereof, but it shall not be necessary that the same officer sign the certificate of authentication on all of such notes issued hereunder. Notes of this Series in coupon form (if any) shall have coupons for interest attached, bearing facsimile signatures of the Chairman and Secretary of the Authority.

(Board - 10/11/84)

The registered notes of this Series shall be in substantially the following form, the blank spaces being appropriately filled in, and, as applicable, taking account of the changes and adjustments authorized in this resolution:

(FORM OF REGISTERED NOTE)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

CONSOLIDATED NOTE

SERIES LL

No. C(LL)- .....
Maturity Date: January 15, 1989 Interest Rate: ....% Per Annum Dated: January 15, 1986 CUSIP ....

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (formerly known as The Port of New York Authority and hereinafter called the Authority), a body corporate and politic, created by the Compact of April 30, 1921, between the State of New York and the State of New Jersey, to which the consent of the Congress of the United States was given by Public Resolution No. 17, 67th Congress, First Session, acknowledges itself indebted and for value received hereby promises to pay to the registered holder hereof, on the fifteenth day of January, 1989, upon presentation and surrender of this note, the principal amount shown below:
together with interest thereon at the rate of per centum (%) per annum from , payable semi-annually commencing on July 15, 1986, and thereafter on each succeeding January 15 and July 15 until maturity or prior redemption. The principal of this note shall be payable in lawful money of the United States of America, at maturity or prior redemption upon presentation and surrender by the registered holder hereof at the office of , Paying Agent of the Authority, or the office or offices designated by the Authority of such other Paying Agent or Paying Agents appointed for the purpose by the Authority in a county which is in whole or in part in the Port of New York District. Semi-annual interest on this note shall be payable when due, in lawful money of the United States of America, to said registered holder by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

This note is issued pursuant to and in full conformity with the Compact between the States of New York and New Jersey creating the Authority and the various statutes of said two States amendatory thereof and supplemental thereto, for purposes provided in said Compact and statutes, and is a direct and general obligation of the Authority for the prompt payment of the principal of and interest on which the full faith and credit of the Authority are irrevocably pledged. The provisions of the resolution of October 9, 1952, establishing an issue of Consolidated Bonds, and of the resolution of October 11, 1984, establishing the Series of which this note forms a part and authorizing the issuance of this note, constitute a contract between the Authority and the registered holder of this note, which is subject to modification as therein provided.

This note is registered as to principal and interest (but not as to either alone) and is transferable only upon the books kept by the Registrar of the Authority by the registered holder of this note or attorney duly authorized, all in accordance with the provisions of the resolution establishing the Series of which this note forms a part and authorizing the issuance of the Series LL Notes. The notes of this Series are issuable only in the form of registered notes without coupons in the denominations of $5,000 or integral multiples of $5,000. The registered holder of this note or attorney duly authorized may upon application to the Registrar of the Authority exchange the same in accordance with the provisions of the resolution establishing the Series of which this note forms a part for an equal aggregate principal amount of registered notes of any other authorized denominations. The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of the notes of this Series including such fees as may be imposed by the Registrar for such services performed by the Registrar.

This note may be redeemed, at the option of the Authority, prior to maturity at one hundred per centum (100%) of its face value on any interest payment date at or subsequent to January 15, 1988. If less than all the notes of this Series then outstanding are to be called for redemption, the notes so to be called shall be determined by lot by the Authority or by the Registrar as the Authority may elect or by such other system or method as the Committee on Finance of the Authority shall fix and determine.

If this note shall be called for redemption, notice shall be given by the Authority by publication in one or more daily newspapers of general circulation in the City of New York, State of New York. Such notice shall be published at least twice prior to the date fixed for redemption,—the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption; and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed, not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, to the registered holder of this note at his last known address as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said notes. If this note shall be called for redemption, and if funds sufficient for the redemption price shall be deposited with the Paying Agent or Paying Agents of the Authority in trust for the account of the registered holder of this note, and if such funds shall be available for its redemption on the date fixed for redemption, interest shall cease to accrue on this note from and after the date fixed for redemption and this note shall not be entitled to the benefit or security of the foregoing resolutions but shall rely solely upon the funds so deposited.

If this note is of a denomination greater than $5,000, and if less than all of the notes of the Series of which this note forms a part are to be called for redemption, then for all purposes in connection with redemption, each $5,000 of face value of this note shall be treated as though it were a separate note of the denomination of $5,000, and the word "note" as used in the foregoing redemption provisions shall be deemed to refer to each such $5,000 unit of face value.

If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by this note are to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units the registered holder of this note shall forthwith present this note to the registrar who will issue new notes of smaller denominations but of the same aggregate principal amount in exchange or substitution therefor, as provided in the resolution establishing the Series of which this note forms a part, including a new note or notes with the aggregate principal amount corresponding to the aggregate principal amount and number or numbers of the $5,000 unit or units called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the registered holder. If the registered holder shall fail to present this note to the Registrar for the issuance of new notes of smaller denominations in exchange or substitution therefor as aforesaid, this note shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of this note represented by such $5,000 unit or units of face value on and after the date fixed for redemption and this note shall not be entitled to the benefit or security of the aforesaid resolutions to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such $5,000 unit or units, but to that extent shall rely solely upon the funds so deposited.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this note, exist, have happened and have been performed in due time, form and manner as required by the Constitutions and statutes of the States of New York and New Jersey, the Compact creating the Authority and the aforesaid resolutions of the Authority, and that the amount of this note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by said Constitutions, statutes, Compact or the Consolidated Bond Resolution.

IN WITNESS WHEREOF, The Port Authority of New York and New Jersey has caused its name to be signed hereto by its duly authorized officer, by manual or facsimile signature, and its official seal, or facsimile thereof, to be hereto affixed or printed or impressed hereon, and this note to be dated as of the fifteenth day of January, 1986.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

.....
Authorized Officer

(END OF FORM OF REGISTERED NOTE)

(Board - 10/11/84)

The certificate of authentication attached to each of the notes of this Series which are executed by a facsimile signature on behalf of the Authority, shall be in substantially the following form, the blank spaces being appropriately filled in:

(FORM OF CERTIFICATE OF AUTHENTICATION)

This note is one of the notes issued under the provisions of the within-named resolution and the Consolidated Bond Resolution.

Date of Authentication: .....

REGISTRAR
as Registrar of the Authority

By .....
Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

Each registered note of this Series shall have provisions for assignment endorsed thereon, in substantially the following form:

(FORM OF PROVISIONS FOR ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

.....
(Please Print or Type Name and Address of Assignee)

.....

.....
the within note and all rights thereunder and does hereby irrevocably constitute and appoint

..... Attorney
to transfer such note on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

.....
(Signature of Registered Holder)

In the presence of .....
(Witness)

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within note in every particular.

(END OF FORM OF PROVISIONS FOR ASSIGNMENT)

In case any official of the Authority who shall have signed or whose facsimile signature shall appear on any of the Series LL Notes shall cease to be such official before the notes shall have been actually issued, the Series LL Notes may nevertheless be issued as though the person who signed such notes had not ceased to be such official of the Authority; and the Authority may, by issuing notes bearing coupons (if any) so executed, adopt and use the facsimile signature of any person appearing on the coupons (if any), notwithstanding the fact that such person may have ceased, at the time when the notes and coupons (if any) shall have been issued, to hold the office appearing after such person's facsimile signature on such coupons (if any).

SECTION 9. The Committee on Finance of the Authority is hereby authorized prior to the issuance of any of the Series LL Notes (i) to change the date as of which the notes of this Series shall be dated to any date on or before October 15, 1986; (ii) to change the date stated in this resolution at which any of the notes of this Series shall mature and be retired; *provided*, that said date or dates shall not be more than three (3) years from the date as of which notes of this Series are dated; (iii) to adjust or change the provisions contained in this resolution relating to the payment of interest and to the redemption, retirement, and call of the notes of this Series; *provided*, that the Committee may not change the redemption, retirement and call provisions of the notes of this Series to impose a call premium; (iv) to provide for the notes of this Series to be issued in book-entry form without certificates and to be separately registrable as to principal and interest to any one or more holders; (v) consistent with the foregoing, to change or adjust the provisions of the notes of this Series to permit the issuance of such notes with a fixed or variable interest rate or rates or a combination thereof; and (vi) to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 10. In case any note or any coupon (if any) pertaining to such a note shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new note or coupon of like tenor and amount in exchange or substitution for and upon cancellation of said mutilated note or coupon or in lieu of or in substitution for such destroyed or lost note or coupon; or if such note or coupon shall have matured, instead of issuing a substitute note or coupon the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute note or coupon shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such note or coupon and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute note or coupon or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute note or coupon, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new note or coupon so issued in substitution. Any note or coupon (if any) issued under the provisions of this section in lieu of any note or coupon alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the note or coupon so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 11. In the event the Committee on Finance determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of any of the Series LL Notes to purposes in connection with some but not all of the purposes authorized in Section 3 hereof, the Committee is hereby authorized, prior to the sale of said Series LL Notes from time to time, to make such allocation by resolution. The adoption by said Committee of such a resolution prior to any such sale shall be sufficient to restrict the application of the proceeds of any Series LL Notes included in said sale to the purposes specified by the Committee in said resolution.

SECTION 12. The provisions of this resolution shall constitute a contract with the holders of the notes issued pursuant to this resolution, and with each such holder.

Consolidated Notes, Series LL—Authorization of Sale

Pursuant to the foregoing report, the following resolution was unanimously adopted:

SECTION 1. The Committee on Finance of the Authority (hereinafter called the "Committee") is hereby authorized to sell all or any part of Twenty-five Million Dollars ($25,000,000) in principal amount of Consolidated Notes, Series LL (hereinafter called the "Series LL Notes"), at a price which will result in a net interest cost to the Authority not in excess of twelve per centum (12%) per annum to maturity, and to do so in the name of and on behalf of the Authority, at public or private sale, with or without advertisement, in one or more lots, at one or more times on or before October 15, 1986, and to apply the proceeds of such sale or sales as provided in the resolution establishing and authorizing the issuance of said Series LL Notes.

SECTION 2. The Committee shall have power, in connection with the Series LL Notes, to fix the time or times of sale on or before October 15, 1986, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 3. The Committee shall have the power in the name of and on behalf of the Authority, in connection with the Series LL Notes, to enter into any appropriate contracts or agreements concerning any sales; to fix the time or times and determine the terms and conditions of delivery of the Series LL Notes; to appoint and to enter into appropriate contracts or agreements with one or more Paying Agents and a Registrar, and to designate the office or offices of any such Paying Agent or Paying Agents at which payments shall be made and the office or offices of any such Registrar at which the books for registration shall be kept; to enter into any appropriate contracts or agreements providing insurance in connection with the Series LL Notes; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised by the Authority as a condition precedent to the issuance of the Series LL Notes or for the purpose of determining whether all conditions precedent to their issuance exist, the Authority hereby adopting all such selections, designations, determinations, actions, withholdings of action, estimates and exercises of judgment and discretion, whether pursuant to Section 3 of the Consolidated Bond Resolution of October 9, 1952, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 4. The Committee shall have power to authorize one or more official statements in the name of and on behalf of the Authority (describing the Authority, its financial condition and the notes offered for sale, and making representations on behalf of the Authority). The Authority hereby authorizes the purchaser or purchasers in offering said Series LL Notes for resale to use such official statement or statements and representations as those of the Authority.

SECTION 5. No part of the proceeds of such Series LL Notes shall be invested directly or indirectly in such a manner as to cause the interest on such Series LL Notes to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

SECTION 6. The Committee or any member thereof; the Chairman of the Authority; Vice Chairman of the Authority; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized, in connection with the Series LL Notes, to take any action which may be necessary or desirable to assure that the Series LL Notes are in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and any such actions taken in connection therewith are hereby ratified. The Chairman of the Authority; Vice Chairman of the Authority; Chairman of the Committee; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized to certify on behalf of the Authority as to the need for the issuance of the Series LL Notes for the purposes for which the Series LL Notes are issued, as to the status of the projects for which the proceeds of the Series LL Notes would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee.

(Board - 10/11/84)

Consolidated Notes, Series MM—Establishment and Authorization of Issuance

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter called the "Authority") hereby finds and determines that it is necessary to provide capital funds for the purposes hereinafter set forth; and

WHEREAS, under present circumstances it is desirable and in the public interest to provide said required capital funds in part by the issuance of short-term notes in conformity with the Consolidated Bond Resolution adopted October 9, 1952;

NOW, THEREFORE, be it resolved by The Port Authority of New York and New Jersey:

SECTION 1. As used in this resolution, any words or phrases specially defined in the aforesaid Consolidated Bond Resolution shall be read and construed in accordance with such special definitions; *provided, however*, that the term "facility" herein shall not include any railroad car owned, leased or operated pursuant to Chapter 638 of the Laws of New York of 1959 and Chapter 25 of the Laws of New Jersey of 1959 or any acts amendatory or supplemental thereto.

SECTION 2. There is hereby established a series of negotiable notes of the Authority to be known as "Consolidated Notes, Series MM" (hereinafter called the "Series MM Notes" or "notes of this Series") and the issuance of up to Twenty-five Million Dollars ($25,000,000) in principal amount of such Series MM Notes is hereby authorized. Said Series MM Notes shall be established and issued pursuant to and shall conform in all respects to the aforesaid Consolidated Bond Resolution.

The Series MM Notes shall be issued in one or more lots as the Authority may hereafter determine, shall be dated as of July 15, 1986, shall be of the denominations of $5,000 or integral multiples of $5,000, shall bear a stated rate or rates of interest including fixed or variable rates or a combination thereof from such date as may be determined by the Committee on Finance of the Authority, payable semi-annually commencing on January 15, 1987, and thereafter on each succeeding July 15 and January 15 until maturity or prior redemption, not in excess of twelve per centum (12%) per annum as may be determined by the Committee on Finance (which said Committee is hereby authorized to fix and determine such date upon which interest shall commence and said interest rate or rates including fixed or variable rates or a combination thereof, if any, or to determine that said Series MM Notes shall not bear a stated rate of interest), and shall mature on July 15, 1989. Series MM Notes shall be numbered upward from C(MM)-1, or they may bear such other numbers as the Chairman of the Authority; the Vice Chairman of the Authority; the Chairman of the Committee on Finance; the Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority may deem appropriate.

Both principal of and interest on the notes of this Series shall be payable in lawful money of the United States of America. Principal of the notes of this Series and interest on the coupon notes of this Series (if any), shall be payable at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District. Interest on the registered notes of this Series shall be payable when due to the registered holder thereof by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

SECTION 3. The proceeds of such Series MM Notes shall be used (a) for purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto; *provided, however*, that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), and the regulations promulgated thereunder, the Committee on Finance may authorize all or any portion of the unspent proceeds of the notes of this Series to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities of the Authority certified or to be certified after issuance of the notes of this Series; (b) for the purpose of refunding,

at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the sale of any of the notes of this Series; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

SECTION 4. Series MM Notes shall be issued only in registered form without coupons, registered as to both principal and interest and not as to either alone; *provided, however*, if at any time prior to issuance of the notes of this Series, there shall be in effect a provision of the Code, or the regulations promulgated thereunder, which does not provide that, for the interest on said Series MM Notes to be considered exempt from Federal income taxes under Section 103 of the Code, such Series MM Notes must be issued in registered form, then the notes of this Series may also be issued in the form of coupon notes payable to bearer, in which event the Committee on Finance shall and it is hereby authorized to adopt an appropriate form of coupon note issuable only in the denomination of $5,000.

Registered Series MM Notes shall be issued in the denominations of $5,000 or integral multiples of $5,000.

SECTION 5. The Authority will keep or cause to be kept at the office or offices, designated by the Authority, of its Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient books for the registration of notes of this Series. Each registered Series MM Note shall be transferable only upon such books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution.

In the event that the notes of this Series may be issued in coupon form, a coupon note or notes of this Series (if any), upon the written request of the bearer or bearers thereof and upon the surrender thereof with all unmatured coupons thereto attached, may be exchanged for a registered note or notes, registered as designated in such request, of the same aggregate principal amount and series as the surrendered note or notes, of any of the authorized denominations. A registered note or notes of this Series, upon the written request of the registered holder or holders thereof and upon surrender thereof, may be exchanged for a registered note or notes, registered as designated in such request, of any other authorized denominations, or in the event that the notes of this Series may be issued in coupon form, a coupon note or notes with appropriate coupons attached, or a combination of such coupon and registered notes, in each case of the same aggregate principal amount as the surrendered note or notes.

All requests for the registration, transfer, exchange and delivery of notes as above provided shall be filed with the Registrar of the Authority; all notes to be surrendered pursuant to such request shall be surrendered to the Registrar; and all notes delivered in exchange as aforesaid shall be delivered by the Registrar. All notes of this Series surrendered to the Registrar in exchange for other notes or for transfer as above provided shall be cancelled by the Registrar upon such surrender.

The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of notes of this Series, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

Nothing contained in this resolution shall be deemed to authorize the execution and delivery of notes of this Series except in the denomination of $5,000 in the case of coupon notes or in denominations of $5,000 or integral multiples of $5,000 in the case of registered notes or to authorize the issuance of coupon notes of this Series if at any time there shall be in effect a provision of the Code or the regulations promulgated thereunder which provides that for the interest on the notes of this Series to be considered exempt from Federal income tax under Section 103 of the Code such notes of this Series must be issued in registered form.

SECTION 6. Series MM Notes shall be redeemable, in whole or in part, at the option of the Authority, prior to maturity at one hundred per centum (100%) of their face value on any interest payment date at or subsequent to July 15, 1988. If less than all of the notes of this Series then outstanding are to be called for redemption, the notes so to be called shall be determined by lot by the Authority or the Registrar as the Authority may elect or by such other system or method as the Committee on Finance may determine (which said Committee is hereby authorized to fix and determine such other system or method).

Notice of intention to redeem any notes of this Series shall be given by the Authority by publication in one or more daily newspapers of general circulation in the City of New York, State of New York. Such notice shall be published at least twice prior to the date fixed for redemption, the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed by the Authority or the Registrar, as the Authority may elect, not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption to the registered holders of notes of this Series to be called for redemption, at their last known addresses as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said notes.

Before the date fixed for redemption specified in such notice, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the outstanding notes which are to be redeemed, at the respective redemption prices thereof, which, in each case, shall include the accrued interest to the date fixed for redemption, such principal amount to be held by the Paying Agent (or Paying Agents) in trust for the account of the holders of the notes so called for redemption and to be paid to them respectively upon presentation and surrender of the said notes with accrued interest included in such redemption price to be paid to the registered holder in accordance with the provisions of this resolution and in the case of coupon notes (if any), such accrued interest to be paid to the holders only upon presentation and surrender of all unmatured coupons (if any) pertaining to such notes. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the notes so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such notes on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the notes so called from and after the date fixed for their redemption, and such notes and the unmatured coupons (if any) pertaining thereto shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of registered notes of denominations greater than $5,000, if less than all of the notes of this Series then outstanding are to be called for redemption, then for all purposes in connection with redemption, each $5,000 unit of face value shall be treated as though it were a separate note of the denomination of $5,000, and the word "note" as used in the foregoing provisions of this Section 6 shall be deemed to refer to such $5,000 unit of face value. If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by any note are to be called for redemption, then upon notice of intention to redeem said $5,000 unit or units, the holder of said note shall forthwith present said note to the Registrar who shall issue new notes of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 5 of this resolution, including a new note or notes with the aggregate principal amount of the $5,000 unit or units of face value called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the holder thereof. If the holder of such note of a denomination greater than $5,000 shall fail to present such note to the Registrar for the issuance of new notes of smaller denominations in exchange therefor, as aforesaid, such note shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents, as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such note represented by such $5,000 unit or units of face value on and after the date fixed for redemption, and such note shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such $5,000 unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for

the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund or in any special reserve fund established for the benefit of the bonds of any prior issue of bonds except for purposes and upon conditions which in the case of the Consolidated Bond Reserve Fund are authorized by the Consolidated Bond Resolution or in the case of said special reserve funds are authorized by the respective resolutions establishing such prior issues of bonds.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. Each Series MM Note shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed by any one of the following persons, to wit:—The person holding the office or exercising the duties of Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Assistant Executive Director; Secretary; Assistant Secretary; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority at the time of its execution; *provided*, that each Series MM Note may be executed by the facsimile signature of any of the foregoing persons and, in such event, such note shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, manually executed by the Registrar of the Authority. No Series MM Note bearing a facsimile signature of any of the foregoing persons shall be entitled to any benefit under this resolution or the Consolidated Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Registrar of the Authority, as aforesaid, and such manually executed certificate upon such note shall be conclusive evidence that such note has been authenticated and delivered hereunder. Such certificate of authentication on any such note shall be deemed to have been executed by the Registrar of the Authority, as aforesaid, if signed by an authorized officer thereof, but it shall not be necessary that the same officer sign the certificate of authentication on all of such notes issued hereunder. Notes of this Series in coupon form (if any) shall have coupons for interest attached, bearing facsimile signatures of the Chairman and Secretary of the Authority.

(Board - 10/11/84)

The registered notes of this Series shall be in substantially the following form, the blank spaces being appropriately filled in, and, as applicable, taking account of the changes and adjustments authorized in this resolution:

(FORM OF REGISTERED NOTE)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

CONSOLIDATED NOTE

SERIES MM

No. C(MM)- .....
Maturity Date: July 15, 1989 Interest Rate: .....% Per Annum Dated: July 15, 1986 CUSIP .....

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (formerly known as The Port of New York Authority and hereinafter called the Authority), a body corporate and politic, created by the Compact of April 30, 1921, between the State of New York and the State of New Jersey, to which the consent of the Congress of the United States was given by Public Resolution No. 17, 67th Congress, First Session, acknowledges itself indebted and for value received hereby promises to pay to the registered holder hereof, on the fifteenth day of July, 1989, upon presentation and surrender of this note, the principal amount shown below:
together with interest thereon at the rate of per centum (%) per annum from , payable semi-annually commencing on January 15, 1987, and thereafter on each succeeding July 15 and January 15 until maturity or prior redemption. The principal of this note shall be payable in lawful money of the United States of America, at maturity or prior redemption upon presentation and surrender by the registered holder hereof at the office of , Paying Agent of the Authority, or the office or offices designated by the Authority of such other Paying Agent or Paying Agents appointed for the purpose by the Authority in a county which is in whole or in part in the Port of New York District. Semi-annual interest on this note shall be payable when due, in lawful money of the United States of America, to said registered holder by check or draft drawn on the Paying Agent or Paying Agents appointed for the purpose by the Authority and mailed to said registered holder.

This note is issued pursuant to and in full conformity with the Compact between the States of New York and New Jersey creating the Authority and the various statutes of said two States amendatory thereof and supplemental thereto, for purposes provided in said Compact and statutes, and is a direct and general obligation of the Authority for the prompt payment of the principal of and interest on which the full faith and credit of the Authority are irrevocably pledged. The provisions of the resolution of October 9, 1952, establishing an issue of Consolidated Bonds, and of the resolution of October 11, 1984, establishing the Series of which this note forms a part and authorizing the issuance of this note, constitute a contract between the Authority and the registered holder of this note, which is subject to modification as therein provided.

This note is registered as to principal and interest (but not as to either alone) and is transferable only upon the books kept by the Registrar of the Authority by the registered holder of this note or attorney duly authorized, all in accordance with the provisions of the resolution establishing the Series of which this note forms a part and authorizing the issuance of the Series MM Notes. The notes of this Series are issuable only in the form of registered notes without coupons in the denominations of $5,000 or integral multiples of $5,000. The registered holder of this note or attorney duly authorized may upon application to the Registrar of the Authority exchange the same in accordance with the provisions of the resolution establishing the Series of which this note forms a part for an equal aggregate principal amount of registered notes of any other authorized denominations. The Authority shall bear the cost incurred by the Authority in connection with the registration, transfer, cancellation, exchange and delivery of the notes of this Series including such fees as may be imposed by the Registrar for such services performed by the Registrar.

This note may be redeemed, at the option of the Authority, prior to maturity at one hundred per centum (100%) of its face value on any interest payment date at or subsequent to July 15, 1988. If less than all the notes of this Series then outstanding are to be called for redemption, the notes so to be called shall be determined by lot by the Authority or by the Registrar as the Authority may elect or by such other system or method as the Committee on Finance of the Authority shall fix and determine.

If this note shall be called for redemption, notice shall be given by the Authority by publication in one or more daily newspapers of general circulation in the City of New York, State of New York. Such notice shall be

published at least twice prior to the date fixed for redemption,—the first publication to be not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption; and the second publication to be not less than ten (10) nor more than twenty (20) days before the date fixed for redemption. A copy of such notice shall also be mailed, not less than thirty (30) nor more than forty-five (45) days before the date fixed for redemption, to the registered holder of this note at his last known address as appearing upon the Registry Books of the Authority; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any action with respect to the redemption of said notes. If this note shall be called for redemption, and if funds sufficient for the redemption price shall be deposited with the Paying Agent or Paying Agents of the Authority in trust for the account of the registered holder of this note, and if such funds shall be available for its redemption on the date fixed for redemption, interest shall cease to accrue on this note from and after the date fixed for redemption and this note shall not be entitled to the benefit or security of the foregoing resolutions but shall rely solely upon the funds so deposited.

If this note is of a denomination greater than $5,000, and if less than all of the notes of the Series of which this note forms a part are to be called for redemption, then for all purposes in connection with redemption, each $5,000 of face value of this note shall be treated as though it were a separate note of the denomination of $5,000, and the word "note" as used in the foregoing redemption provisions shall be deemed to refer to each such $5,000 unit of face value.

If it is determined as above provided that one or more but not all of the $5,000 units of face value represented by this note are to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units the registered holder of this note shall forthwith present this note to the registrar who will issue new notes of smaller denominations but of the same aggregate principal amount in exchange or substitution therefor, as provided in the resolution establishing the Series of which this note forms a part, including a new note or notes with the aggregate principal amount corresponding to the aggregate principal amount and number or numbers of the $5,000 unit or units called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the registered holder. If the registered holder shall fail to present this note to the Registrar for the issuance of new notes of smaller denominations in exchange or substitution therefor as aforesaid, this note shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of this note represented by such $5,000 unit or units of face value on and after the date fixed for redemption and this note shall not be entitled to the benefit or security of the aforesaid resolutions to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such $5,000 unit or units, but to that extent shall rely solely upon the funds so deposited.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this note, exist, have happened and have been performed in due time, form and manner as required by the Constitutions and statutes of the States of New York and New Jersey, the Compact creating the Authority and the aforesaid resolutions of the Authority, and that the amount of this note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by said Constitutions, statutes, Compact or the Consolidated Bond Resolution.

IN WITNESS WHEREOF, The Port Authority of New York and New Jersey has caused its name to be signed hereto by its duly authorized officer, by manual or facsimile signature, and its official seal, or facsimile thereof, to be hereto affixed or printed or impressed hereon, and this note to be dated as of the fifteenth day of July, 1986.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

. . . . . .
Authorized Officer

(END OF FORM OF REGISTERED NOTE)

(Board - 10/11/84)

The certificate of authentication attached to each of the notes of this Series which are executed by a facsimile signature on behalf of the Authority, shall be in substantially the following form, the blank spaces being appropriately filled in:

(FORM OF CERTIFICATE OF AUTHENTICATION)

This note is one of the notes issued under the provisions of the within-named resolution and the Consolidated Bond Resolution.

Date of Authentication: .....

REGISTRAR
as Registrar of the Authority

By .....
Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

Each registered note of this Series shall have provisions for assignment endorsed thereon, in substantially the following form:

(FORM OF PROVISIONS FOR ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

.....
(Please Print or Type Name and Address of Assignee)

.....

.....
the within note and all rights thereunder and does hereby irrevocably constitute and appoint

..... Attorney
to transfer such note on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

.....
(Signature of Registered Holder)

In the presence of .....
(Witness)

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within note in every particular.

(END OF FORM OF PROVISIONS FOR ASSIGNMENT)

In case any official of the Authority who shall have signed or whose facsimile signature shall appear on any of the Series MM Notes shall cease to be such official before the notes shall have been actually issued, the Series MM Notes may nevertheless be issued as though the person who signed such notes had not ceased to be such official of the Authority; and the Authority may, by issuing notes bearing coupons (if any) so executed, adopt and use the facsimile signature of any person appearing on the coupons (if any), notwithstanding the fact that such person may have ceased, at the time when the notes and coupons (if any) shall have been issued, to hold the office appearing after such person's facsimile signature on such coupons (if any).

SECTION 9. The Committee on Finance of the Authority is hereby authorized prior to the issuance of any of the Series MM Notes (i) to change the date as of which the notes of this Series shall be dated to any date on or before October 15, 1986; (ii) to change the date stated in this resolution at which any of the notes of this Series shall mature and be retired; *provided*, that said date or dates shall not be more than three (3) years from the date as of which notes of this Series are dated; (iii) to adjust or change the provisions contained in this resolution relating to the payment of interest and to the redemption, retirement, and call of the notes of this Series; *provided*, that the Committee may not change the redemption, retirement and call provisions of the notes of this Series to impose a call premium; (iv) to provide for the notes of this Series to be issued in book-entry form without certificates and to be separately registrable as to principal and interest to any one or more holders; (v) consistent with the foregoing, to change or adjust the provisions of the notes of this Series to permit the issuance of such notes with a fixed or variable interest rate or rates or a combination thereof; and (vi) to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 10. In case any note or any coupon (if any) pertaining to such a note shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new note or coupon of like tenor and amount in exchange or substitution for and upon cancellation of said mutilated note or coupon or in lieu of or in substitution for such destroyed or lost note or coupon; or if such note or coupon shall have matured, instead of issuing a substitute note or coupon the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute note or coupon shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such note or coupon and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute note or coupon or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute note or coupon, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new note or coupon so issued in substitution. Any note or coupon (if any) issued under the provisions of this section in lieu of any note or coupon alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the note or coupon so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 11. In the event the Committee on Finance determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of any of the Series MM Notes to purposes in connection with some but not all of the purposes authorized in Section 3 hereof, the Committee is hereby authorized, prior to the sale of said Series MM Notes from time to time, to make such allocation by resolution. The adoption by said Committee of such a resolution prior to any such sale shall be sufficient to restrict the application of the proceeds of any Series MM Notes included in said sale to the purposes specified by the Committee in said resolution.

SECTION 12. The provisions of this resolution shall constitute a contract with the holders of the notes issued pursuant to this resolution, and with each such holder.

Consolidated Notes, Series MM—Authorization of Sale

Pursuant to the foregoing report, the following resolution was unanimously adopted:

SECTION 1. The Committee on Finance of the Authority (hereinafter called the "Committee") is hereby authorized to sell all or any part of Twenty-five Million Dollars ($25,000,000) in principal amount of Consolidated Notes, Series MM (hereinafter called the "Series MM Notes"), at a price which will result in a net interest cost to the Authority not in excess of twelve per centum (12%) per annum to maturity, and to do so in the name of and on behalf of the Authority, at public or private sale, with or without advertisement, in one or more lots, at one or more times on or before October 15, 1986, and to apply the proceeds of such sale or sales as provided in the resolution establishing and authorizing the issuance of said Series MM Notes.

SECTION 2. The Committee shall have power, in connection with the Series MM Notes, to fix the time or times of sale on or before October 15, 1986, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 3. The Committee shall have the power in the name of and on behalf of the Authority, in connection with the Series MM Notes, to enter into any appropriate contracts or agreements concerning any sales; to fix the time or times and determine the terms and conditions of delivery of the Series MM Notes; to appoint and to enter into appropriate contracts or agreements with one or more Paying Agents and a Registrar, and to designate the office or offices of any such Paying Agent or Paying Agents at which payments shall be made and the office or offices of any such Registrar at which the books for registration shall be kept; to enter into any appropriate contracts or agreements providing insurance in connection with the Series MM Notes; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised by the Authority as a condition precedent to the issuance of the Series MM Notes or for the purpose of determining whether all conditions precedent to their issuance exist, the Authority hereby adopting all such selections, designations, determinations, actions, withholdings of action, estimates and exercises of judgment and discretion, whether pursuant to Section 3 of the Consolidated Bond Resolution of October 9, 1952, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee will best serve the public interest.

SECTION 4. The Committee shall have power to authorize one or more official statements in the name of and on behalf of the Authority (describing the Authority, its financial condition and the notes offered for sale, and making representations on behalf of the Authority). The Authority hereby authorizes the purchaser or purchasers in offering said Series MM Notes for resale to use such official statement or statements and representations as those of the Authority.

SECTION 5. No part of the proceeds of such Series MM Notes shall be invested directly or indirectly in such a manner as to cause the interest on such Series MM Notes to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

SECTION 6. The Committee or any member thereof; the Chairman of the Authority; Vice Chairman of the Authority; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized, in connection with the Series MM Notes, to take any action which may be necessary or desirable to assure that the Series MM Notes are in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and any such actions taken in connection therewith are hereby ratified. The Chairman of the Authority; Vice Chairman of the Authority; Chairman of the Committee; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority is hereby authorized to certify on behalf of the Authority as to the need for the issuance of the Series MM Notes for the purposes for which the Series MM Notes are issued, as to the status of the projects for which the proceeds of the Series MM Notes would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by the Committee.

(Board - 10/11/84)

Bank Loan of 1985 - Establishment and Authorization of Execution and Delivery

Pursuant to the foregoing report, the following resolution was unanimously adopted:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter referred to as the "Authority") has been authorized and empowered to issue bonds, notes, securities or other obligations or evidences of indebtedness to provide capital funds for the financing of its facilities; and

WHEREAS, the Authority has determined to authorize an issue of special obligations to be known as "The Port Authority of New York and New Jersey Bank Loan of 1985" (such term, hereinafter referred to as the "Bank Loan," and any other terms of special meaning shall have the meanings as set forth in Article I of this Resolution), to be dated as of its date, provided, that such date shall be on or before October 15, 1986, in an aggregate principal amount of up to $100,000,000; and

WHEREAS, the Bank Loan shall be a special obligation of the Authority, subject to adjustment as to priority, payable as to principal and interest solely from Net Revenues deposited to the Consolidated Bond Reserve Fund, and in the event such Net Revenues are insufficient therefor, from other moneys of the Authority legally available for such payments; and

WHEREAS, except as provided herein, the moneys of the Authority would not be pledged to the payment of interest on or the repayment of the principal of the Bank Loan;

NOW, THEREFORE, after due consideration had, be it resolved by The Port Authority of New York and New Jersey:

ARTICLE I - DEFINITIONS

As used in this Resolution, and unless otherwise indicated or the context otherwise requires, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the defined terms). As used in this Resolution, any words or phrases specially defined in the Consolidated Bond Resolution shall be read and construed in accordance with such special definitions.

The term "Authorized Officer" shall mean any of one of the persons holding the office or exercising the duties of Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Assistant Executive Director; Chief Financial Officer; Assistant Chief Financial Officer; Director, Finance Department/Comptroller; Deputy Comptroller; Assistant Director, Finance Department; Treasurer or Assistant Treasurer of the Authority, and any other person authorized by resolution of the Authority to perform the act or sign the document in question.

The term "Bank Loan" or "The Port Authority of New York and New Jersey, Bank Loan of 1985" shall mean the issue of special obligations of the Authority established and issued pursuant to and under this Resolution.

The term "Bank Loan Agreement" shall mean the agreement concerning, inter alia, the Bank Loan and the Promissory Note, between the Authority and one or more participating banks and trust companies.

The term "Basic Resolution" shall mean the resolution adopted by the Authority on March 18, 1935, as amended March 25, 1935, September 16, 1943, March 6, 1947 and October 23, 1947, establishing the issue of General and Refunding Bonds.

The term "Bond Resolutions" shall mean (i) the Basic Resolution and (ii) the Consolidated Bond Resolution.

The term "Consolidated Bond Reserve Fund" shall mean the special fund by that name established by Section 7 of Consolidated Bond Resolution.

The term "Consolidated Bond Resolution" shall mean the resolution adopted by the Authority on October 9, 1952, establishing the issue of Consolidated Bonds.

The term "Consolidated Bonds" shall mean the Authority's Consolidated Bonds (including Consolidated Notes) issued under the Consolidated Bond Resolution.

The term "General and Refunding Bonds" shall mean the Authority's General and Refunding Bonds issued under the Basic Resolution.

The term "General Reserve Fund" shall mean the General Reserve Fund of the Authority authorized by the General Reserve Fund Statutes.

The term "General Reserve Fund Resolution" shall mean the resolution of the Authority adopted on March 9, 1931, as amended May 5, 1932, concerning the administration of the General Reserve Fund.

The term "General Reserve Fund Statutes" shall mean Chapter 5 of the Laws of New Jersey of 1931, as amended, and Chapter 48 of the Laws of New York of 1931, as amended.

The term "Net Revenues", solely for the purpose of this Resolution shall mean, with respect to any date of calculation, the revenues of the Authority pledged under the Bond Resolutions and remaining after (i) payment or provision for payment of debt service on General and Refunding Bonds and Consolidated Bonds as required by the applicable provisions of the Bond Resolutions, (ii) payment into the General Reserve Fund of the amount necessary to maintain said Fund at the amount specified in the General Reserve Fund Statutes, and (iii) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution.

The term "Port Authority Commercial Paper Note" or "Port Authority Commercial Paper Notes" shall mean any note or notes constituting all or a portion of the issue of Port Authority Commercial Paper issued under a resolution adopted by the Authority on October 13, 1983 in connection with the Port Authority Commercial Paper Program.

The term "Promissory Note" shall mean the promissory note or notes of the Authority, in substantially the form set forth in the Bank Loan Agreement, issued on the terms set forth in the Bank Loan Agreement to evidence the aggregate principal amount of the Bank Loan, the interest thereon and the repayment of such principal amount.

The term "Special Reserve Fund" shall mean the special fund by that name established by Section 9 of the Basic Resolution and subsequently placed in trust pursuant to the Trust Agreement.

The term "Special Reserve Fund in Trust" shall mean the Special Reserve Fund placed in trust pursuant to the Trust Agreement.

The term "Trust Agreement" shall mean the agreement made as of December 31, 1970, between the Authority and First National City Bank (now Citibank, N.A.), as Trustee.

ARTICLE II - AUTHORIZATION, TERMS AND ISSUANCE

Section 2.01. Establishment and Authorization of Issue of the Bank Loan. There is hereby established an issue of special obligations of the Authority to be known as "The Port Authority of New York and New Jersey, Bank Loan of 1985." The Bank Loan is hereby authorized to be issued for the purposes set forth in Section 2.04 of this Resolution, in the principal amount of up to One Hundred Million Dollars ($100,000,000). The Committee on Finance of the Authority is hereby authorized to provide for the execution and delivery of the Bank Loan Agreement and the Promissory Note at such time as may be determined and fixed by said Committee on or before October 15, 1986 (which said time of execution and delivery said Committee is hereby authorized to fix and determine), and upon public bid or private offer (which such bid or offer said Committee is hereby authorized to accept or reject) with or without advertisement, only from such banks or trust companies as are authorized to do business in the State of New York or the State of New Jersey.

Section 2.02. General Terms of the Bank Loan, Bank Loan Agreement and Promissory Note. The Bank Loan shall be in an aggregate principal amount to be determined by the Committee on Finance of the Authority up to One Hundred Million Dollars ($100,000,000); shall be dated as of the date of the Bank Loan Agreement and the Promissory Note, such date to be determined and fixed by the Committee on Finance as any date on or before October 15, 1986; shall mature on a date or dates to be determined and fixed by the Committee on Finance, provided that such date or dates shall not be more than ten (10) years from the date of the Bank Loan Agreement and Promissory Note; shall bear a stated interest rate or rates including fixed or variable rates or a combination thereof, from its date until maturity or prior redemption, not in excess of twelve per centum (12%) per annum to be determined and fixed by the Committee on Finance, which said Committee may also determine that said Bank Loan shall not bear a stated rate of interest; shall be at a price which will result in a net interest cost to the Authority not in excess of twelve per centum (12%) per annum to maturity or prior redemption; shall be payable as to principal and interest, from the sources of payment set forth in Section 2.03 of this Resolution, on a schedule to be determined and fixed by the Committee on Finance, provided, that such schedule shall permit redemption of the Bank Loan, at the option of the Authority, prior to maturity without premiums or penalty; shall be in the form of a Bank Loan Agreement and Promissory

Note to be authorized by the Committee on Finance subject to the terms, conditions and limitations provided or referred to in this Resolution, which Bank Loan Agreement may contain such other terms and conditions not inconsistent with this Resolution and which Bank Loan Agreement and Promissory Note shall be executed by an Authorized Officer; and shall be payable as to principal and interest in lawful money of the United States of America at the principal office of the Authority or its paying agent or paying agents appointed for such purpose, if any, or otherwise as maybe determined by the Committee on Finance. The Committee on Finance is hereby authorized to take all actions in connection with the foregoing to fix and determine the general terms of the Bank Loan, Bank Loan Agreement and Promissory Note and generally to take such other action as in the opinion of the Committee will best serve the public interest.

Section 2.03. Sources of Payment. The principal of and interest on the Bank Loan, as set forth in the Bank Loan Agreement and the Promissory Note, subject to adjustment as to priority by the Committee on Finance consistent with agreements with the holders of obligations of the Authority (which said Committee is hereby authorized to adjust and fix said priority), shall be a special obligation of the Authority payable from Net Revenues deposited to the Consolidated Bond Reserve Fund, and in the event such Net Revenues are insufficient therefor, from other moneys of the Authority legally available for such payments.

The principal of and interest on the Bank Loan shall not be payable from the Special Reserve Fund in Trust or the General Reserve Fund, and the payment thereof shall be subject in all respects to (i) the payment of debt service on General and Refunding Bonds and Consolidated Bonds as required by the applicable provisions of the Bond Resolutions, and (ii) the payment into the General Reserve Fund of the amount necessary so as to maintain said Fund at the amount specified in the General Reserve Fund Statutes.

Section 2.04. Application of Proceeds. The proceeds of the Bank Loan shall be used for (a) purposes of capital expenditures in connection with any one or more of the facilities of the Authority and for purposes incidental thereto, provided, however, that subject to agreements with the holders of obligations of the Authority and consistent with applicable provisions of Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, the Committee on Finance may

authorize all or any portion of the unspent proceeds of the Bank Loan to be used for any purpose for which at the time of issuance thereof the Authority was authorized by law to issue its obligations, including capital expenditures in connection with facilities of the Authority certified or to be certified after issuance of the Bank Loan; (b) for the purpose of refunding, at or before maturity, all or any part of any issue of Consolidated Notes issued and outstanding at the time of the delivery of the Bank Loan Agreement and the Promissory Note; and (c) for the purpose of refunding, at maturity, Commercial Paper Notes in accordance with applicable law, regulations and contractual provisions.

In the event the Committee on Finance of the Authority determines that the needs of the Authority for capital funds or the public interest require allocation of the proceeds of the Bank Loan to purposes in connection with some but not all of the purposes authorized in this Section 2.04, said Committee on Finance is hereby authorized, prior to the delivery of the Bank Loan Agreement and the Promissory Note, from time to time, to make such allocation in regard to the expenditure of the proceeds of such Bank Loan; provided, however, that no portion of the proceeds of such Bank Loan shall be used for purposes of capital expenditures in connection with an additional facility of the Authority prior to the initial expenditure of all or a portion of the proceeds of a series of Consolidated Bonds for purposes in connection with such additional facility.

Section 2.05. Appointment of Paying Agents and Registrar. The Committee on Finance of the Authority is hereby authorized to appoint one or more Paying Agents and a Registrar, if any. Any Authorized Officer is hereby authorized to enter into agreements with such Paying Agent or Paying Agents and Registrar, if any, which may contain such terms and conditions not inconsistent with this Resolution, regarding the function, responsibilities and duties of such Paying Agent or Paying Agents and Registrar, if any.

ARTICLE III - PERFORMANCE.

Section 3.01. Debt Service. The Authority shall duly and punctually pay or cause to be paid the principal of and interest on the Bank Loan, as set forth in the Bank Loan Agreement and the Promissory Note.

Section 3.02. Conditions. Upon the date of delivery of the Bank Loan Agreement and the Promissory Note, all

conditions, acts and things required by the Constitution or statutes of the States of New York and New Jersey, or the United States of America, or the Bond Resolutions, or this Resolution to exist, to have happened and to have been performed precedent to or in the delivery of such Bank Loan Agreement and the Promissory Note, have happened and have been performed and the Bank Loan, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed thereby.

Section 3.03. Acts. The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of this Resolution in accordance with the terms of such provisions.

ARTICLE IV - MISCELLANEOUS.

Section 4.01. Contract. The provisions of this Resolution shall constitute and form a part of the Bank Loan Agreement and constitute a contract with the holders of the Promissory Note, and with each such holder.

Section 4.02. Amendments. The Authority may modify or amend this Resolution or any agreement authorized by this Resolution at any time by a supplemental resolution or agreement, as applicable, without notice to or the consent of any holder of the Promissory Note, but only in regard to such provisions as shall not materially and adversely affect the interests of such holders of the Promissory Note.

Section 4.03. Liability. No Commissioner, officer, agent, representative, or employee of the Authority shall be held personally liable under or upon this Resolution or any resolution hereafter adopted relating to the Bank Loan, the Bank Loan Agreement or the Promissory Note, or under the Bank Loan Agreement or the Promissory Note, or because of the delivery or attempted delivery of the Bank Loan Agreement or the Promissory Note, or because of any act or omission in connection with the construction, acquisition, effectuation, operation or maintenance of any facility of the Authority, or because of any act or omission in connection with the investment or management of the revenues, funds or moneys of the Authority, or otherwise in connection with the management of its affairs, excepting solely for things willfully done with an intent to defraud or willfully omitted to be done with an intent to defraud.

Section 4.04. Conformity. No part of the proceeds of the Bank Loan shall be invested directly or indirectly in such a manner as to cause the interest on such Bank Loan to be subject to Federal income taxes under Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

The Committee on Finance or any Authorized Officer is hereby authorized, in connection with the Bank Loan, to take any action which may be necessary or desirable to assure that the Bank Loan is in conformity with the provisions of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and any such actions taken in connection therewith are hereby ratified.

Section 4.05. Certifications. Any Authorized Officer is hereby authorized to certify on behalf of the Authority as to the need for the issuance of the Bank Loan for the purposes for which such Bank Loan is issued, as to the status of the projects for which the proceeds of such Bank Loan would be used, as to the Authority's intentions with respect to the application and investment of said proceeds, and as to such other related matters as may be authorized by this Resolution.

Section 4.06. Determinations. Whenever in this Resolution it is provided that any selection, designation, determination or estimate shall or may be made by an individual duly authorized by this Resolution, or that any action may be taken or withheld by such individual or that any action shall or may be taken or withheld at the option of or dependent upon the opinion, discretion or judgment of such individual, then such individual's selection, designation, determination, estimate, action, option, opinion, discretion or judgment so expressed shall be conclusive for the purposes of this Resolution, whether required to be made, taken or withheld as a condition precedent to the delivery of the Bank Loan Agreement or the Promissory Note or for the purpose of determining if all conditions precedent to the delivery of the Bank Loan Agreement or the Promissory Note exist, or otherwise as in the opinion of such individual will best serve the public interest, the Authority hereby adopting such selection, designation, determination, estimate, action, option, opinion, discretion or judgment so expressed as its own.

Section 4.07. Offering Statement. The Committee on Finance shall have power to authorize one or more offering

statements in the name of and on behalf of the Authority, describing the Authority, its financial conditions and the Bank Loan and making representations on behalf of the Authority.

Section 4.08. Titles. Titles to the Articles and Sections of this Resolution are solely for convenience, and are not an aid in the interpretation of this Resolution or any part thereof.

Pre-development Site Acquisition Program - Facility Certification

It was reported that, in connection with the application of moneys in the Consolidated Bond Reserve Fund, or with the first issuance of any Consolidated Bonds (or Notes), for purposes of an additional facility, the Port Authority is required by covenants with its bondholders to make a certification relating to the financial effect upon the Port Authority of financing the additional facility. Planning for additional facilities of the Port Authority, however, often involves early identification or location of projected facility sites and, in certain cases, would be enhanced by the capacity to acquire real property prior to formal facility certification. Board approval would be obtained for the purchase of any real property under this program. Such purchases would avoid the possibility that the economic viability of a particular project or program which requires extended lead time prior to the recommendation of a formal facility certification might be foreclosed by the unavailability or increased cost of a proposed site. In many instances, site identification occurs at such an early stage in the planning process that the financial terms of the project cannot be forecast and formal facility certification may not occur for a considerable length of time.

It was therefore recommended that the Board establish, as an additional facility of the Port Authority, the Pre-development Site Acquisition Program (the Program), a centralized program of up to $75 million permitting the Port Authority to acquire real property in connection with the development of additional Port Authority facilities prior to the actual formal certification of those facilities. Prior to capital expenditures at each such proposed additional facility, each facility would have to be certified in conformity with the Port Authority's agreements with the holders of Consolidated Bonds.

The properties in Bayonne and Jersey City, New Jersey, purchased approximately three years ago in connection with the development of a coal transshipment facility would now be transferred to the Program and as noted above future property acquisitions would continue to be subject to specific authorizations by the Board. It is expected that real property acquisitions in connection with the Hunters Point, New York, waterfront development site, potential ferry terminal sites and similar acquisitions up to the total authorized amount of $75 million, would be included in the Program.

There is no expectation of annual revenues from the Program and only Port Authority capital costs, net of any federal, state, city or other funding, will be included in the Program. To the extent that there are any payments in-lieu-of taxes, operating and maintenance costs and/or income attributable to property acquired, these are to be accounted for as operating funds outside of the Program, as part of the Port Authority's normal revenue and expense accounts. As a project is formally

certified as an additional facility, the real property and associated costs will be transferred to the newly-certified additional facility from the Program, which will then be credited for such costs thereby replenishing the amount available through the Program for future acquisitions. In the event a project was not ultimately certified, the real property acquired therefor could be sold and the original cost of the property would then be credited to the Program which would also replenish the amount available through the Program for future acquisitions.

As noted above, the Program will be an additional facility of the Port Authority and, therefore, in connection with the first issuance of any Consolidated Bonds (or Notes) for purposes which would include capital expenditures in connection with the Program, the Port Authority is required by covenants with its bondholders to make a certification relating to the financial effect upon the Port Authority of financing the additional facility. Thus, certification is necessary if any portion of the proceeds of Consolidated Bonds, Fifty-second Series, the issuance of which in connection with this facility has been recommended to the Board and which is expected to be issued in the near future, is to be used for purposes of capital expenditures in connection with the Program.

The Assistant Executive Director/Chief Financial Officer has reviewed the projected overall financial standing and condition of the Port Authority and the economics of the Program on the basis of the issuance of Consolidated Bonds (including Consolidated Notes) to finance the total cost thereof.

The Assistant Executive Director/Chief Financial Officer has also reviewed with the Commissioners his formal opinion to them consistent with Section 7 of the resolutions establishing outstanding series of Consolidated Bonds (including Consolidated Notes) that the issuance of Consolidated Bonds, Fifty-second Series, for purposes in connection with the Program, will not, during the periods 1984 through 2019, the traditional term of Consolidated Bonds, and 1984 through 1994, the immediately ensuing 10-year period, in the light of the Port Authority's estimated expenditures in connection with the Program, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

In reaching this conclusion, the Assistant Executive Director/Chief Financial Officer considered the covenant with holders of Port Authority Consolidated Bonds (including Consolidated Notes) to establish charges in connection with facilities whose net revenues are pledged as security for such Bonds to the end that at least sufficient net revenues may be

produced therefrom to provide for the debt service on all Consolidated Bonds including those issued for the Program.

It was therefore also recommended that the Board make the certification required by the Port Authority's agreements with the holders of outstanding bonds.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Pre-development Site Acquisition Program, a centralized program of up to $75,000,000 permitting the Authority to acquire real property in connection with the development of additional Port Authority facilities prior to the actual formal certification of those facilities (the Program), be and the same is hereby established as an additional facility of the Port Authority, with each such acquisition to be specifically approved by the Board prior to the purchase thereof; and it is further

RESOLVED, that certification is hereby made, that in the opinion of the Port Authority the issuance of Consolidated Bonds, Fifty-second Series, for purposes which include capital expenditures in connection with the Program, will not during the periods 1984 through 1994 and 1984 through 2019, in the light of the Port Authority's estimated expenditures in connection with the Program and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

RESOLVED, that the Committee on Finance be and it hereby is authorized to reaffirm said certification on behalf of the Port Authority at such time, on or before December 31, 1984, as Consolidated Bonds, Fifty-second Series are issued, provided that there is no substantial adverse change in the economic basis for said certification; and it is further

RESOLVED, that in default of a reaffirmation of said certification by the Committee on Finance, said certification shall not apply to the issuance of Consolidated Bonds, Fifty-second Series, and the proceeds thereof shall be used for the stated purposes of such issuance other than the Program, until such time as the Program may be certified.

(Board - 10/11/84)

Newark Legal and Communications Center - Facility Certification

It was recalled to the Board that the Board, on June 14, 1984, authorized the Executive Director to proceed with the development of an office building of approximately 300,000 net rentable square feet and its related infrastructure in the City of Newark, New Jersey, adjacent to Penn Station, Newark and the PATH terminus, at an approximate total cost of $40 million. The Board further authorized the Executive Director to enter into an agreement with the City of Newark (Newark) and the Newark Economic Development Corporation (NEDC) for the development of the office building, its related infrastucture, an elevated pedestrian walkway connecting the office building to Penn Station and a parking garage and such other agreements or conveyances as are necessary to effectuate the agreement. While the Port Authority's commitment to the project, to be known as the Newark Legal and Communications Center, Newark, New Jersey (the Facility), stems from the Governors' bi-State program as outlined in the Minutes of the Board's special meeting on June 29, 1983, the actual implementation of the project is subject to appropriate authorizations and certifications. In connection with the application of moneys in the Consolidated Bond Reserve Fund, or with the first issuance of any Consolidated Bonds (or Notes), for purposes of an additional facility, the Port Authority is required by covenants with its bondholders to make a certification relating to the financial effect upon the Port Authority of undertaking the additional facility.

It was reported that staff has continued with the planning for the development of the office building. An agreement has been reached among the Port Authority, Newark and NEDC regarding the various rights, duties and obligations of the parties relating to the anticipated development. Newark and NEDC received approval on October 1, 1984, from the U.S. Department of Housing and Urban Development on their application for an Urban Development Action Grant (UDAG) to be used for the construction of a garage and walkway which are planned as part of the development.

As presently contemplated, contracts will be entered into with private entities for the conveyance of title to space in the proposed office building providing for annual payments to the Port Authority sufficient to produce net operating revenues which will cover the Port Authority's financial requirements. The office building is being marketed as a legal and communications center, since marketing and public information efforts by Port Authority staff have revealed strong interest in purchasing office space in the building and strong support for the project's goals from the

Newark legal community. Staff expects that this project will be carried out as described and will be self-supporting.

The agreement among the Port Authority, Newark and NEDC, calls for the Port Authority to provide approximately $40 million (subject to appropriate authorizations and certifications, including those related to contracts with Port Authority bondholders as well as affirmative findings with respect to the economic feasibility of the project). The Port Authority is to develop the office building and its related infrastructure and would be responsible for its management and operation. The agreement provides for NEDC to acquire the site and to convey or lease to the Port Authority property required for construction of the office building in a manner which will permit the Port Authority to convey title to or lease space to occupants. NEDC is to enter into a contract with the Port Authority pursuant to which the Port Authority would act as a general contractor for the building and the planned parking garage and walkway. The Port Authority is to implement an affirmative action plan, conforming generally to the goals of Newark's affirmative action plan, and is to monitor and enforce the performance by contractors.

The agreement also anticipates that the parties will enter into a management/operating agreement for a mutually agreeable term covering the walkway and garage pursuant to which the Port Authority will retain the right with the other parties to jointly select an operator so as to assure high standards of security, maintenance and general operation, consistent with the operation of a first class office building. So that Newark will not be unduly deprived of revenue because of the Port Authority's ownership or use of any portion of the office building, and in consideration of the operation/management agreement with Newark and NEDC relating to the garage and walkway, the Port Authority is to agree to pay annually to NEDC for Newark an amount calculated by multiplying by $2 the number of square feet, if any, in the office building occupied by the Port Authority or leased to Port Authority tenants. After the termination of applicable tax abatements, the $2 multiplier would be changed to the average real estate taxes per square foot which would be paid by private owners.

The Facility will be an additional facility of the Port Authority and, therefore, in connection with the first issuance of any Consolidated Bonds (or Notes) for purposes of this project, the Port Authority is required by covenants with its bondholders to make a certification relating to the financial effect upon the Port Authority of financing the additional facility. Thus, certification is necessary if any portion of the

proceeds of the next issue of Consolidated Bonds or Consolidated Notes which includes, as a purpose, capital expenditures in connection with this Facility and the issuance of which in connection with this Facility has been recommended to the Board and which may reasonably be expected to be issued on or before June 30, 1985, are to be used for purposes of capital expenditures in connection with the additional facility.

The Assistant Executive Director/Chief Financial Officer has reviewed the projected overall financial standing and condition of the Port Authority and the economics of the Facility on the basis of the issuance of Consolidated Bonds (including Consolidated Notes) to finance the total cost thereof.

The Assistant Executive Director/Chief Financial Officer has also reviewed with the Commissioners his formal opinion to them consistent with Section 7 of the resolutions establishing outstanding series of Consolidated Bonds (including Consolidated Notes) that the issuance of Consolidated Bonds or Consolidated Notes on or before June 30, 1985, for purposes in connection with the Facility, will not, during the periods 1984 through 2019, the traditional term of Consolidated Bonds, and 1984 through 1994, the immediately ensuing 10-year period, in the light of the Port Authority's estimated expenditures in connection with the Facility, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

In reaching this conclusion, the Assistant Executive Director/Chief Financial Officer considered the covenant with holders of Port Authority Consolidated Bonds (including Consolidated Notes) to establish charges in connection with facilities whose net revenues are pledged as security for such Bonds to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds including those issued for the Facility.

It was therefore recommended that the Board make the certification required by the Port Authority's agreements with the holders of outstanding bonds.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that certification is hereby made, that in the opinion of the Port Authority the issuance of Consolidated Bonds or Consolidated Notes on or before June 30, 1985, for

purposes which include capital expenditures in connection with the project to be known as the Newark Legal and Communications Center, Newark, New Jersey (the Facility), will not during the periods 1984 through 1994 and 1984 through 2019, in the light of the Port Authority's estimated expenditures in connection with the Facility and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

RESOLVED, that the Committee on Finance be and it hereby is authorized to reaffirm said certification on behalf of the Port Authority at such time, on or before June 30, 1985, as such Consolidated Bonds or Consolidated Notes are issued provided that there is no substantial adverse change in the economic basis for said certification; and it is further

RESOLVED, that in default of a reaffirmation of said certification by the Committee on Finance, said certification shall not apply to the issuance of such Consolidated Bonds or Consolidated Notes, and the proceeds thereof shall be used for the stated purposes of such issuance other than the Facility, until such time as the Facility may be certified.

(Board - 10/11/84)

Greenville Yard-Port Authority Marine Terminal - Facility Certification

It was recalled to the Board that the Board, on May 10, 1984, authorized the Executive Director to enter into an agreement with the Consolidated Rail Corporation (ConRail) for the purchase of the Greenville railcar float bridge and rail yards in Jersey City, New Jersey, and to arrange for the performance of environmental testing, title searches and property appraisals therefor, with approval of the final purchase price for the ConRail premises to be obtained from the Committee on Finance. It is contemplated that the purchase agreement to be negotiated with ConRail would include the following major elements: (1) successful conclusion of environmental testing and (2) ConRail agreement to interchange traffic with New York Cross Harbor Railroad (NYCHRR) the current operator, indefinitely, or until such time as is otherwise agreed upon. Committee on Finance authorization would be obtained for the purchase price to be agreed to with ConRail and the terms of any other agreement with ConRail, NYCHRR, or another operator would be presented to the Board for approval.

The environmental testing, title searches and property appraisals are already underway. In connection with the application of moneys in the Consolidated Bond Reserve Fund, or with the first issuance of any Consolidated Bonds (or Notes), for purposes of an additional facility, the Port Authority is required by covenants with its bondholders to make a certification relating to the financial effect upon the Port Authority of undertaking the additional facility.

For some time, ConRail has been seeking to abandon the 10-acre rail yard and float bridge at Greenville Yard, which serves common rail freight carriers as the base for interstate cross harbor railcar float operations to the Brooklyn, New York waterfront, including the Brooklyn-Port Authority Marine Terminal. These yard operations are managed by NYCHRR, which operates a cross harbor carfloat barge service, under a contract with ConRail. ConRail took the first step in the abandonment process by filing a Notice of Insufficient Revenues with the Interstate Commerce Commission on December 12, 1983. While ConRail has apparently been free to file for abandonment since the filing of this notice, it has agreed to desist from filing at the request of the Port Authority, pending formal negotiations to acquire the rail yard and associated railcar float bridge. However, once ConRail files, abandonment would normally become effective 90 days later. It is estimated that the immediate effect of abandonment by ConRail would be termination of the railcar float bridge services. The cessation of these services would increase transportation costs and transit times for

receivers and shippers in Brooklyn, Queens and Long Island whose goods are carried by railcar float to the Brooklyn waterfront.

The property to be known as the Greenville Yard-Port Authority Marine Terminal (the Facility), which currently handles about 3,000 railcars annually, would include rail freight yards and a railcar float bridge serving common rail freight carriers in Brooklyn, Queens and Long Island between Greenville and the Brooklyn terminal facilities. NYCHRR recently concluded a favorable agreement with ConRail under which an additional 4,000 or more rail freight cars a year from "southern origins" will be routed through the Facility to the Brooklyn waterfront. The importance of the Facility lies in its role in moving domestic rail freight traffic by water between New Jersey and New York.

A Port Authority appraisal of the property constituting the Facility indicates a value of $30,000 to $35,000 per acre. If the property is acquired, whether by purchase or otherwise, improvements currently estimated to cost less than $4 million would be necessary in connection with the proposed operation of the Facility, which the Port Authority would lease to NYCHRR or another operator on a long-term basis. Although the terms of a lease have yet to be formulated, it is minimally anticipated that revenues will be sufficient to cover operating costs, if any, and to recover some portion of the Port Authority's capital investment.

Other agencies in New York are making a considerable investment in facilities for NYCHRR or related to its operations. New York City purchased property and is constructing a new yard for NYCHRR at 65th Street, Brooklyn, New York, at a total cost of about $7.4 million. The New York State Department of Transportation is upgrading the Bay Ridge rail line, which connects with the 65th Street yard, and is sponsoring the Long Island Railroad's acquisition of the line from ConRail at a total cost of about $6.7 million.

It was reported that, if authorized, the Facility would be an additional facility of the Port Authority and, therefore, in connection with the first issuance of any Consolidated Bonds (or Notes) for purposes which include capital expenditures in connection with this project, the Port Authority is required by covenants with its bondholders to make a certification relating to the financial effect upon the Port Authority of financing the additional facility. Thus, certification is necessary if any portion of the proceeds of Consolidated Bonds, Fifty-second Series, the issuance of which in connection with this facility has been recommended to the Board and which is expected to be

issued in the near future, is to be used for purposes of capital expenditures in connection with the additional facility.

The Assistant Executive Director/Chief Financial Officer has reviewed the projected overall financial standing and condition of the Port Authority and the economics of the Facility on the basis of the issuance of Consolidated Bonds (including Consolidated Notes) to finance the total cost thereof.

The Assistant Executive Director/Chief Financial Officer has also reviewed with the Commissioners his formal opinion to them consistent with Section 7 of the resolutions establishing outstanding series of Consolidated Bonds (including Consolidated Notes) that the issuance of Consolidated Bonds, Fifty-second Series, for purposes in connection with the Facility, will not, during the periods 1984 through 2019, the traditional term of Consolidated Bonds, and 1984 through 1994, the immediately ensuing 10-year period, in the light of the Port Authority's estimated expenditures in connection with the Facility, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

In reaching this conclusion, the Assistant Executive Director/Chief Financial Officer considered the covenant with holders of Port Authority Consolidated Bonds (including Consolidated Notes) to establish charges in connection with facilities whose net revenues are pledged as security for such Bonds to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds including those issued for the Facility.

It was therefore recommended that the Board make the certification required by the Port Authority's agreements with the holders of outstanding bonds.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that certification is hereby made, that in the opinion of the Port Authority the issuance of Consolidated Bonds, Fifty-second Series, for purposes which include capital expenditures, subject to appropriate approvals, in connection with the acquisition by purchase or otherwise of property to be known as the Greenville Yard-Port Authority Marine Terminal, including rail freight yards and a railcar

float bridge, in Jersey City, New Jersey (the Facility), will not during the periods 1984 through 1994 and 1984 through 2019, in the light of the Port Authority's estimated expenditures, if any, in connection with the Facility and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

RESOLVED, that the Committee on Finance be and it hereby is authorized to reaffirm said certification on behalf of the Port Authority at such time, on or before December 31, 1984, as Consolidated Bonds, Fifty-second Series, are issued, provided that there is no substantial adverse change in the economic basis for said certification; and it is further

RESOLVED, that in default of a reaffirmation of said certification by the Committee on Finance, said certification shall not apply to the issuance of Consolidated Bonds, Fifty-second Series, and the proceeds thereof shall be used for the stated purposes of such issuance other than the Facility, until such time as the Facility may be certified.

Whereupon, the meeting was adjourned.

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, November 8, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York. (515)

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Robert F. Wagner, Vice-Chairman
Jerry Fitzgerald English	William J. Ronan
Robert V. Van Fossan	Lewis L. Glucksman
Philip D. Kaltenbacher	John G. McGoldrick
William K. Hutchison	Howard Schulman
Henry F. Henderson, Jr.	

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel/Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Robert F. Bennett, Assistant Executive Director/Chief Financial Officer
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Assistant Executive Director/Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director/Director of Administration
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
Philip LaRocco, Director of Economic Development
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Katharine B. MacKay, Assistant Executive Director/Director of State Relations
Mark Marchese, Assistant Director, Information Services, Public Affairs
George N. McGuire, Manager, Business Administration, Newark International Airport
Rino M. Monti, Director of Engineering/Chief Engineer
Edward J. O'Malley, Director of Personnel
Martin E. Robins, Director of Planning and Development
Lloyd D. Schwalb, Principal Information Officer, Public Affairs
Victor T. Strom, Director of Public Safety
Anthony J. Tozzoli, Port Director
Guy F. Tozzoli, Director of World Trade
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Director, Finance Department/Comptroller
Marvin Weiss, Director, Office of Minority Business Development
Marshal L. Wilcox, Jr., Treasurer

The meeting was called to order by the Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meetings of September 13 and October 11, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey and that the time for action by the Governors of New York and New Jersey had expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on November 8, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on November 8, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on November 8, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on November 8, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

(Board - 11/8/84)

Industrial Development Program - Yonkers Industrial Park

It was reported that pursuant to the legislation providing for Port Authority participation in a program of industrial development, the Board at its meeting on July 12, 1979, adopted a master plan which identified the following sites for potential industrial development:

- Charleston, Staten Island, New York
- Doremus Avenue, Newark, New Jersey
- Greenville Yards/Claremont Terminal, Jersey City, New Jersey
- Hunts Point/Oak Point Yards Area, The Bronx, New York
- North Avenue, Elizabeth, New Jersey
- Spring Creek, Brooklyn, New York

At its meeting on March 12, 1981, the Board amended the master plan to include the following additional sites:

- Bathgate, The Bronx, New York
- Kapkowski Road, Elizabeth, New Jersey

At its meeting on August 12, 1982, the Committee on Port Planning, pursuant to authorization by the Board, amended the master plan to include the following additional site:

- Staten Island Industrial Park-East Side, Staten Island, New York

The Board, at its meeting on January 12, 1984, amended the master plan to include portions of four additional blocks within the Bathgate Industrial Park.

The Board, at its meeting on March 8, 1984, amended the master plan to include a site in the City of Newark, New Jersey, for development of a resource recovery facility.

The Bathgate project was certified by the Board as an additional facility of the Port Authority on October 28, 1981. On February 22, 1982, the Port Authority entered into an agreement with New York City and the New York City Public Development Corporation (PDC) concerning Port Authority development of at least three blocks of the original eight block site. Staff is working toward finalization of an amendment to that agreement as a result of the January 12, 1984 Board authorization to expand the Bathgate project. The PDC had completed and leased a building on one of the site's blocks. The first Port Authority building on this site has been completed and leased and buildings on four other blocks are under construction by the Port Authority, all of which have been leased.

The Port Authority and the City of Elizabeth, New Jersey, have entered into an agreement concerning the development of the Elizabeth Industrial Park. The Board, at its meeting on June 14, 1984, certified the Elizabeth Industrial Park as an additional facility of the Port Authority, subject to reaffirmation of such certification by the Committee on Finance. Such reaffirmation was made on July 12, 1984. Negotiations regarding potential tenant occupancies are currently underway.

(Board - 11/8/84)

The Teleport, located at the Staten Island Industrial Park site, was certified by the Board as an additional facility of the Port Authority at its meeting on June 9, 1983, subject to reaffirmation of such certification by the Committee on Finance. Such reaffirmation was made on December 8, 1983. The Port Authority, Merrill Lynch Telecommunications, Western Union Communications Systems and the City of New York have executed agreements with respect to the development of The Teleport and construction is currently underway.

In connection with the development of the Newark site as a resource recovery facility, agreement has been reached with the City of Newark administration on the Host Municipality Agreement, which will be presented to the Newark City Council for approval, and staff is working toward finalization of the required agreements with the County of Essex and the system vendor.

There is no active consideration by the Port Authority of any of the other sites in the master plan at this time.

The industrial development legislation provides that the Port Authority may modify or change any part of its master plan in the same form and manner provided for the adoption of the original plan. Preparation of the original master plan included a process of consultation with public and private persons and organizations including the governing body of each municipality in which industrial development projects were proposed to be located, community planning boards and private real estate developers.

The original master plan also contained, among other things, the location of potential projects and facilities proposed to be developed, including to the maximum extent practicable, a general description thereof, the land use requirements necessary therefor, and estimates of project costs, of project employment potential, of a schedule for commencement of each project, of the revenues to be derived by municipalities from each project or facility, and of a description of any proposed additional arrangements with municipalities.

An amendment of the master plan has been prepared and is attached hereto. It contains information similar to the foregoing with respect to a site in Yonkers, New York which is considered suitable for potential development.

The proposed Yonkers industrial development site includes the following three parcels and any appurtenances thereto:

a) that parcel generally bounded by Ashburton and Warburton Avenues, Dock Street, Wells Avenue and the railroad right of way and within the United Technologies, Inc. of Hartford, Connecticut, Otis Elevator Company tract;

b) that parcel generally bounded on the north by Babcock Place, on the east by the railroad right of way, on the south by Ashburton Avenue and on the west by Alexander Street; and

c) that parcel generally bounded on the east by the railroad right of way, on the west by the Hudson River, approximately 75 feet in width and in the vicinity of the westerly prolongation of Wells Avenue.

(Board - 11/8/84)

The site contains the former Otis Elevator Company's Yonkers plants including land and structures and includes approximately 789,000 square feet of rentable space in eight buildings plus two parcels of land on the west side of the railroad right of way, all parcels involving approximately 21 acres of land.

Although there is no specific requirement in the industrial development legislation that an environmental impact statement be prepared or adopted, to allow the consideration of environmental as well as other factors to be incorporated at the earliest possible time in the Port Authority's planning, review and decision making process, staff, with the assistance of expert professional consultant assistance, has conducted preliminary environmental investigations and studies and has concluded on the basis of this information that environmental aspects of the proposed development can be reasonably and appropriately addressed. Furthermore, consistent with the enabling legislation, the Port Authority is advising the Governor of the State of New York that the construction and operation of the project shall conform with applicable environmental and solid waste disposal standards in New York State and any State and County plans therefor. The City of Yonkers will consider what environmental analysis may be necessary under the New York State Environmental Quality Act (SEQRA).

Given the potential which this site offers for retaining and enhancing manufacturing and related employment in the New York-New Jersey region, including the potential for manufacture and/or rehabilitation of new and existing PATH rail cars, the purchase of this property including all land and structures is consistent with the legislatively authorized Port Authority industrial development program.

Discussions have been conducted with officials of United Technologies, the parent corporation of Otis Elevator Company leading to an understanding regarding purchase of the property, including all land and structures, by the Port Authority. Port Authority retained appraiser's evaluation of the property and preliminary physical inspections of the property by Port Authority engineers and assisting consultants confirm the appropriateness of the proposed purchase price.

A preliminary understanding has been reached with representatives of the City of Yonkers on general terms and conditions by which this site would be developed. Staff is currently negotiating the municipal agreement, required by the Port Authority Industrial Development enabling statute.

The industrial development legislation provides that at least ten days prior to the authorization by the Port Authority of any agreement with respect to payments in-lieu-of taxes in connection with industrial development projects, the Port Authority shall notify the chief executive officer of each city in the Port District within which an industrial development project has been included in the Port Authority's master plan of the proposed authorization of such agreement, shall seek their comments and shall include with such authorization any comments received. Mayoral comments are being solicited now and any comments received would be presented to the Committee on Operations at its meeting on November 28, 1984.

(Board - 11/8/84)

It is presently estimated that the Yonkers industrial development will represent a $24 million project including payments to contractors, plus provisions for extra work, any acquisitions and related costs, and engineering, administrative and financing expenses. Up to $7.5 million of this project cost will be allocated from the 1984 tolls increase, per the Governors' Bi-state Agreement of June, 1983.

It was therefore recommended that the Board take the following actions:

1. amend the master plan setting forth potential urban industrial park sites adopted by the Board on July 12, 1979, as amended, to add a site in the City of Yonkers, New York, including the following three parcels, and any appurtenances thereto:

a) that parcel generally bounded by Ashburton and Warburton Avenues, Dock Street, Wells Avenue and the railroad right of way and within the United Technologies, Inc. of Hartford, Connecticut - Otis Elevator Company tract;

b) that parcel generally bounded on the north by Babcock Place, on the east by the railroad right of way, on the south by Ashburton Avenue and on the west by Alexander Street; and

c) that parcel generally bounded on the east by the railroad right of way, on the west by the Hudson River, approximately 75 feet in width and in the vicinity of the westerly prolongation of Wells Avenue.

2. authorize the Executive Director, subject to approval of the Committee on Operations and subject to the Port Authority entering into an agreement with the City of Yonkers for the development of the site and the Port Authority making the appropriate certifications including those necessary for the issuance of Port Authority Consolidated Bonds, to purchase the parcel of property described above and incur expenses related to such acquisition;

3. authorize the Committee on Operations, in its discretion, to take action with respect to agreements to be entered into with the City of Yonkers and the Yonkers Community Development Agency or any other governmental agency or any other entity for the acquisition and development of the site, including, but not limited to, provisions concerning payments in lieu of taxes and the applicability of local laws and ordinances, street closings and conveyances of property interests and property acquisition;

4. authorize the foregoing project subject to the foregoing and to the Port Authority's making the appropriate certifications including those necessary for the issuance of Port Authority Consolidated Bonds, at an estimated financial participation by the Port Authority of $24 million, including payments to contractors, plus provisions for extra work, acquisitions and related costs, and engineering, administrative and financing expenses; and

5. increase the 1984 Budget by $16.5 million connection with the acquisition of the site.

(Board - 11/8/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the master plan setting forth potential urban industrial park sites adopted by the Board on July 12, 1979, as amended, to add a site in the City of Yonkers, New York, including the following three parcels, and any appurtenances thereto:

a) that parcel generally bounded by Ashburton and Warburton Avenues, Dock Street, Wells Avenue and the railroad right of way and within the United Technologies, Inc. of Hartford, Connecticut - Otis Elevator Company tract;

b) that parcel generally bounded on the north by Babcock Place, on the east by the railroad right of way, on the south by Ashburton Avenue and on the west by Alexander Street; and

c) that parcel generally bounded on the east by the railroad right of way, on the west by the Hudson River, approximately 75 feet in width and in the vicinity of the westerly prolongation of Wells Avenue; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, subject to approval of the Committee on Operations and subject to the Port Authority entering into an agreement with the City of Yonkers for the development of the site and the Port Authority making the appropriate certifications including those necessary for the issuance of Port Authority Consolidated Bonds, to purchase the parcel of property described above and incur expenses related to such acquisition; and it is further

RESOLVED, that the Committee on Operations, in its discretion, to take action with respect to agreements to be entered into with the City of Yonkers and the Yonkers Community Development Agency or any other governmental agency or any other entity for the acquisition and development of the site, including, but not limited to, provisions concerning payments in lieu of taxes and the applicability of local laws and ordinances, street closings and conveyances of property interests and property acquisition; and it is further

RESOLVED, that the foregoing project subject to the foregoing and to the Port Authority's making the appropriate certifications including those necessary for the issuance of Port Authority Consolidated Bonds, at an estimated financial participation by the Port Authority of $24 million, including payments to contractors, plus provisions for extra work, acquisitions and related costs, and engineering, administrative and financing expenses; and it is further

(Board - 11/8/84)

RESOLVED, that the 1984 Budget be and it hereby is amended and increased in an amount presently estimated at approximately $16.5 million in connection with the acquisition of the site; and it is further

RESOLVED, that the form of all documents necessary to consummate the above transactions be subject to the approval of the General Counsel or his duly authorized representative.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

POTENTIAL INDUSTRIAL DEVELOPMENT SITES

AMENDMENT NO. 5

An amendment to the master plan adopted in accordance with Chapter 651 of the Laws of New York (1979) and Chapter 110 of the Laws of New Jersey (1978).

1. Introduction

The following pages are amendatory of and supplemental to the master plan adopted on July 12, 1979, and amended on March 12, 1981, August 12, 1982, January 12, 1984 and March 8, 1984. Except as otherwise amended herein, the provisions of that plan remain the same and apply to the Yonkers Industrial Park now being included in the master plan.

YONKERS INDUSTRIAL PARK, YONKERS, NEW YORK

LOCATION

The Yonkers Industrial Park will be located on 21+ acres in the City of Yonkers, Westchester County, New York and includes the following three parcels, and any appurtenances thereto:

1) that parcel generally bounded by Ashburton and Warburton Avenues, Dock Street, Wells Avenue and the railroad right-of-way and within the United Technologies, Inc. of Hartford, Connecticut, - Otis Elevator Company tract; and

2) that parcel generally bounded on the north by Babcock Place on the east the railroad right-of-way, on the south by Ashburton Avenue and on the west by Alexander Street; and

3) that parcel generally bounded on the east by the railroad right-of-way, on the west by the Hudson River, approximately 75 feet in width, and in the vicinity of the westerly prolongation of Wells Avenue.

The site has good rail and truck access and potential water access. It is adjacent to the Metro North Yonkers station and the Yonkers bus terminal.

LAND USE

The Otis Elevator Company's former Yonkers plant consists of approximately 21 acres of land and approximately 829,000 square feet of gross building area including approximately 789,000 square feet of potentially rentable space in eight buildings. Currently, 236,000 square feet, thirty percent of the site is rented. Forty-four percent (348,000 square feet) of the plant was built between 1902 and 1908; twenty-six percent (205,000 square feet) was built in the '20s; and thirty percent (236,000 square feet) was built in 1976. The new buildings appear to be in excellent shape while the older buildings, considering their age, are generally in good condition. There is currently parking for 575 cars on the site with potential space for 300 additional cars if needed.

ZONING AND OWNERSHIP

The site is zoned for industrial use by the City of Yonkers. It is owned by the United Technologies, Inc. a conglomerate which is the parent of the Otis Elevator Company.

Otis closed the plant approximately two years ago because it switched to micro-chip controls for its elevators. It already

had a plant manufacturing micro-chips more efficiently than they could be made in Yonkers. The plant's only other business, subcontracts for the oil industry, also ended at about the same time.

ENVIRONMENT

Preliminary testing of the site to ascertain its surface and subsurface characteristics has been undertaken. Such tests strongly suggest that environmental aspects of the proposed development can be reasonably and appropriately addressed. Completion of the environmental assessment form for the City of Yonkers is underway to allow the City to determine whether an environmental impact statement will be required pursuant to the New York State Environmental Quality Review Act. All applicable environmental permits and approvals for the project will be obtained.

TRANSPORTATION

Transportation access to and from the site is excellent. It is adjacent to the Metro North Yonkers train station and the City's main bus terminal, both offering rapid access to midtown New York City and all of Westchester County. The site is approximately 3.5 miles from the New York State Thruway, two miles from the Saw Mill River Parkway (cars only) and six blocks to Broadway (Route 9). The property includes a delapidated pier on the Hudson River making water access a potential. An active ConRail freight line is adjacent to the plant site and a currently unused and unconnected spur leads onto the property.

UTILITIES

The site is served by the City of Yonkers water distribution system which supplies adequate volume at 80+ pounds of pressure. The plant's sanitary sewer feeds to a waste treatment plant which has sufficient capacity for full development of the site.

Con Edison supplies natural gas to the site in sufficient quantities for heating and industrial processes. Two working gas/oil fired heating boilers are located in a power house on the site. Adequate electrical power is supplied by Con Edison.

LABOR

At its peak in the 1950's the Otis Elevator plant employed 2,600 employees. Roughly half of the workforce came from Yonkers with some coming from New Jersey. At full operation, potential direct employment at the Yonkers Industrial Park is expected to equal the peak employment seen on the site during the 1950's.

ESTIMATED PROJECT COSTS AND SCHEDULES

Approximately $24 million to purchase and improve the site and buildings. Project construction is scheduled to start in February, 1985 and last approximately four years. The plant will be operated by the Port Authority with the extensive use of contract services.

OTHER CONSIDERATIONS

The development of this project would be undertaken by the Port Authority subject to the appropriate authorization and certifications including those necessary prior to the issuance of Consolidated Bonds.

GOVERNMENT COMMUNITY CONSULTATIONS AND PARTICIPATION

To assist the Port Authority in the preparation of the master plan, discussions and consultations were held with individuals and groups including:

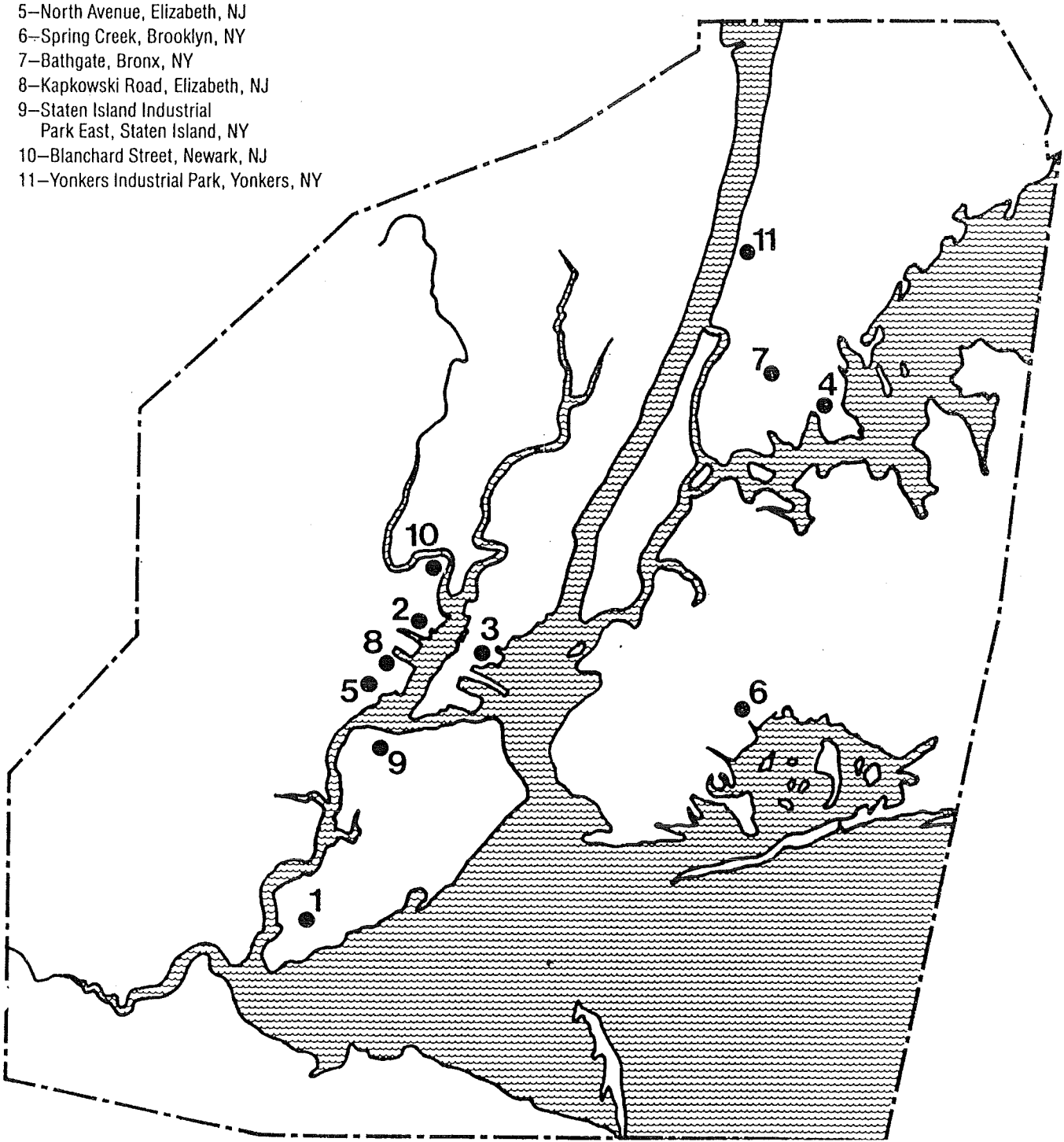
The Governors of New York and New Jersey
The City Manager of Yonkers
Members of the Yonkers City Council
Real Estate Community
Yonkers Downtown Merchant's Association
Yonkers Community Development Planning Bureau
Yonkers Community Development Agency
Prospective Tenants
Yonkers Chamber of Commerce
Yonkers Residents

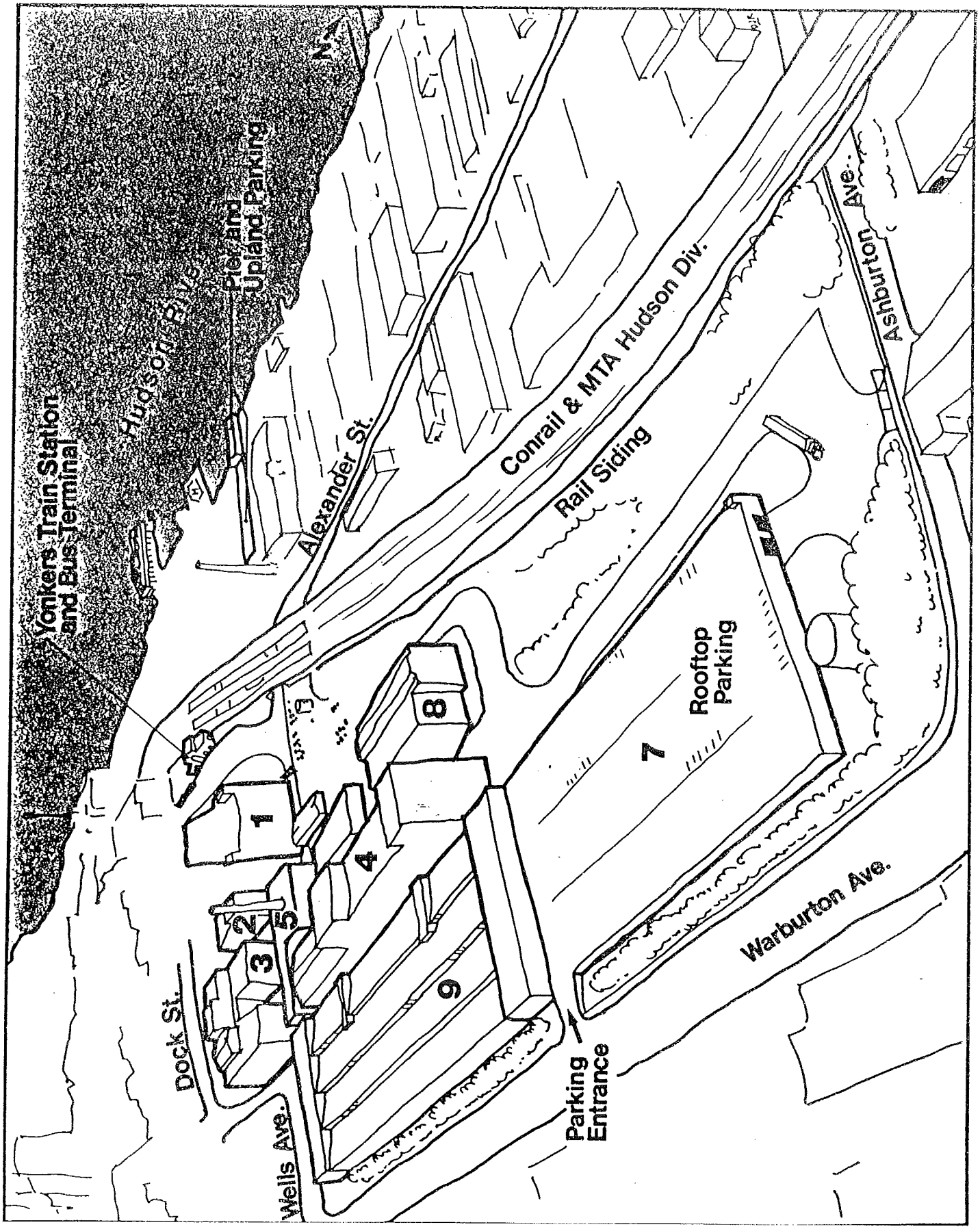
No substantial objections were received and many groups and individuals gave strong support to the development, by the Port Authority, of the Yonkers Industrial Park in Yonkers, New York.

PORT AUTHORITY INDUSTRIAL DEVELOPMENT–MASTER PLAN SITES

As Amended November 1984

1–Charleston, Staten Island, NY
2–Doremus Avenue, Newark, NJ
3–Greenville Yards/Claremont Terminal, Jersey City, NJ
4–Hunts Point/Oak Point Yards, Bronx, NY
5–North Avenue, Elizabeth, NJ
6–Spring Creek, Brooklyn, NY
7–Bathgate, Bronx, NY
8–Kapkowski Road, Elizabeth, NJ
9–Staten Island Industrial Park East, Staten Island, NY
10–Blanchard Street, Newark, NJ
11–Yonkers Industrial Park, Yonkers, NY




Yonkers Train Station and Bus Terminal
Hudson River
Pier and Upland Parking
N
Alexander St.
Conrail & MTA Hudson Div.
Rail Siding
Ashburton Ave.
Rooftop Parking
7
8
1
4
2
3
5
9
Dock St.
Wells Ave.
Parking Entrance
Warburton Ave.

(Board - 11/8/84)

Yonkers Industrial Development Project - Facility Certification

It was reported that, on July 12, 1979, the Board adopted the industrial development master plan which contained the location of potential projects and facilities proposed to be developed as industrial parks. Enabling industrial development legislation provides that the Port Authority may modify or change any part of its master plan in the same form and manner provided for in the original master plan. Based on ongoing Port Authority studies and discussions regarding potential locations for urban industrial parks, a site in the City of Yonkers, New York has been identified by staff as being well suited for development as a Port Authority industrial development park. The industrial development legislation provides that at least ten days prior to the authorization by the Port Authority of any agreement with respect to payments in-lieu-of taxes in connection with industrial development projects, the Port Authority shall notify the chief executive officer of each city in the Port District within which an industrial development project has been included in the Port Authority's master plan of the proposed authorization of such agreement, shall seek their comments and shall include with such authorization any comments received. The process necessary to amend the master plan is currently in progress. Any mayoral comments received would be presented to the Committee on Operations at its meeting on November 28, 1984; the Board would authorize necessary action by the Committee.

The property to be known as the Yonkers Industrial Park (the Facility), the site of the former Otis Elevator Company's Yonkers plant, includes approximately 21.5 acres of land and eight usable buildings consisting of approximately 789,000 square feet of rentable space. Currently, approximately 200,000 square feet are leased and occupied by a number of tenants engaged in manufacturing and warehouse activities and it is anticipated that these leases will be continued. Discussions with officials of United Technologies, Inc., the parent corporation of Otis Elevator Company, have advanced to the stage where an understanding has been reached regarding purchase of the property.

Staff believes that the property has potential for retaining and enhancing manufacturing and related employment in the New York-New Jersey region. The site has good rail and truck access, potential water access and adjacent mass transit; however, to increase the marketability of the site the Port Authority, will renovate interior building areas as well as exterior common areas. Every effort will be made by the Port Authority to retain the current tenants and to create jobs for the community.

There is no specific requirement in the industrial development legislation that an environmental impact statement be prepared or adopted. However, in order to allow the consideration of environmental as well as other factors to be incorporated at the earliest possible time in the Port Authority's planning, review and decision making process, staff, with the assistance of expert professional consultant assistance, has conducted preliminary environmental investigations and studies. The conclusion, on the basis of this information is that environmental aspects of the proposed development can be reasonably and appropriately addressed. Furthermore, consistent with the enabling legislation, the Port Authority is advising the Governor of the State of New York and that the construction and operation of the project shall conform with applicable environmental and solid waste disposal standards in New York State and any State and County plans therefor. The City of Yonkers will consider what environmental analysis may be necessary under the New York State Environmental Quality Review Act (SEQRA).

(Board - 11/8/84)

Appropriate agreement is required between the Port Authority and the City of Yonkers on general terms and conditions under which the site would be developed. Staff is currently negotiating with the City the required municipal agreement, including provision for payments in-lieu-of taxes and the applicability of local laws and ordinances.

Total capital expenditures for the Facility are estimated at $24 million. This includes $16.5 million for site acquisition (including broker's commissions), and $7.5 million for renovation of rentable space, infrastructure and common area improvements. It is also anticipated that the cash flow from the Facility will result in a shortfall of approximately $7.1 million from financial self sufficiency. Pursuant to Board authorization of March 12, 1981, a revolving fund for the support of industrial development facilities in each of the States of New York and New Jersey was established in a maximum amount of $5 million; the New York fund is virtually exhausted. The shortfall is to be covered by using up to $7.5 million of the amount allocated to New York State projects, resulting from the 1984 tolls increase, per the Governors' Bi-state Agreement of June, 1983.

The Facility would be an additional facility of the Port Authority and, therefore, in connection with the first issuance of any Consolidated Bonds (or Notes) for purposes which include capital expenditures in connection with this project, the Port Authority is required by covenants with its bondholders to make a certification relating to the financial effect upon the Port Authority of financing the additional facility. Thus, certification is necessary if any portion of the proceeds of Consolidated Notes, Series JJ, the issuance of which in connection with this Facility is expected in the near future, is to be used for purposes of capital expenditures in connection with the additional facility.

The Assistant Executive Director/Chief Financial Officer has reviewed the projected overall financial standing and condition of the Port Authority and the economics of the Facility on the basis of the issuance of Consolidated Bonds (including Consolidated Notes) to finance the total cost thereof.

The Assistant Executive Director/Chief Financial Officer has also reviewed with the Commissioners his formal opinion to them consistent with Section 7 of the resolutions establishing outstanding series of Consolidated Bonds (including Consolidated Notes) that the issuance of Consolidated Notes, Series JJ, for purposes in connection with the Facility, will not, during the periods 1984 through 1994, the immediately ensuing ten-year period, and 1984 through 2019, the traditional term of Consolidated Bonds, in the light of the Port Authority's estimated expenditures in connection with the Facility, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

In reaching this conclusion, the Assistant Executive Director/Chief Financial Officer considered the covenant with holders of Port Authority Consolidated Bonds (including Consolidated Notes) to establish charges in connection with facilities whose net revenues are pledged as security for such Bonds to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds including those issued for the Facility.

It was therefore recommended that the Board:

1. certify that in the opinion of the Port Authority the issuance of Consolidated Notes, Series JJ, for purposes which include capital expenditures, subject to appropriate approvals, in connection with the project to be known as the Yonkers Industrial Park in the City of Yonkers, New York (the Facility), will not, during the periods 1984 through 1994 and 1984 through 2019, in the light of the Port Authority's estimated expenditures in connection with the Facility and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds;

2. authorize the Committee on Finance to reaffirm said certification on behalf of the Port Authority at such time, on or before December 31, 1984, as Consolidated Notes, Series JJ, are issued, provided that there is no substantial adverse change in the economic basis for said certification; and

3. provide that in default of a reaffirmation of said certification by the Committee on Finance, said certification shall not apply to the issuance of Consolidated Notes, Series JJ, and the proceeds thereof shall be used for the stated purposes of such issuance other than the Facility, until such time as the Facility may be certified.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that certification is hereby made, that in the opinion of the Port Authority the issuance of Consolidated Notes, Series JJ, for purposes which include capital expenditures, subject to appropriate approvals, in connection with the project to be known as the Yonkers Industrial Park, in the City of Yonkers, New York (the Facility), will not, during the periods 1984 through 1994 and 1984 through 2019, in the light of the Port Authority's estimated expenditures in connection with the Facility and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

RESOLVED, that the Committee on Finance be and it hereby is authorized to reaffirm said certification on behalf of the Port Authority at such time, on or before December 31, 1984, as Consolidated Notes, Series JJ, are issued, provided that there is no substantial adverse change in the economic basis for said certification; and it is further

RESOLVED, that in default of a reaffirmation of said certification by the Committee on Finance, said certification shall not apply to the issuance of Consolidated Notes, Series JJ, and the proceeds thereof shall be used for the stated purposes of such issuance other than the Facility, until such time as the Facility may be certified.

(Board - 11/8/84)

Elizabeth Industrial Park - Lease with Meadows One Associates

It was reported that the Board, at its meeting on March 12, 1981, among other things, authorized an industrial development project in Elizabeth, New Jersey, at an approximate 125-acre site located at the southern end of the Port Newark/Elizabeth facility, involving an estimated financial participation by the Port Authority of $16.8 million, including payments to contractors, an allowance for extra work, any acquisition and related costs, and engineering, administrative and financing expenses. Subsequently, on November 18, 1981, the Port Authority and the City of Elizabeth executed an agreement setting forth the arrangements to develop the industrial park site.

Since the Elizabeth Industrial Park site was used as an uncontrolled dump during the period from the mid-1950's to the early 1970's, a subsurface environmental investigation of the site was performed. This investigation confirmed the presence of miscellaneous solid refuse and PCB contaminated waste oil. In August 1982, the Port Authority issued a report containing the findings of its subsurface environmental investigation which concluded that the only significant environmental problem at the site is PCB contaminated oil. Subsequent investigations have demonstrated that this oil is "floating" in discontinuous pockets on the surface of the upper groundwater table, approximately ten feet below the sand surface of the site and adhering to the materials in the refuse layer.

At its meeting on June 14, 1984, the Board certified the Elizabeth Industrial Park as an additional facility of the Port Authority and approved the award of contracts providing for the installation of systems for the mitigation of the PCB contamination and for paving and utility construction at the site. The installation of the mitigation system began in October and paving and utility construction is expected to begin in December. There had been strong interest in the site among the real estate broker and developer communities in 1981. After a mitigation system was selected and the development of the southern 86 acres was designated, the Elizabeth site was test marketed. It was found that there was still interest in development of the site.

Staff has substantially completed negotiations with Meadows One Associates, a Limited Partnership, which was formed by the Punia Company of Somerset, New Jersey, and Suburban Mall Associates of Florham Park, New Jersey, for the purpose of developing property in the City of Elizabeth. The General Partners include Herbert and Leonard Punia, Principals of the Punia Company; Bernard Weissman, Principal with Suburban Mall Associates and The National Mortgage Company of Brooklyn, New York. The General Partners have between them designed, constructed and operated more than 50 facilities in the Port District over the last 20 years. They have substantial building design experience, and have won numerous awards including the Good Neighbor Award for Design and Quality of Construction presented by the New Jersey Business & Industry Association; the Industrial Developer of the Year Award and the Award of Merit for a Completed Project presented by the N.J. Society of Architects/American Institute of Architects.

The lease agreement with Meadows One Associates would provide that:

1. The Port Authority would lease to Meadows One Associates approximately eight acres in the southwest quadrant of the Elizabeth Industrial Park for a term of approximately 26 years, with Meadows One Associates having the right to extend the lease term for an additional 25-years at a rental amount to be defined in the lease.

2. Meadows One Associates would pay ground rent commencing on the earlier of one year after execution of the lease or upon completion of certain site improvements and the shell of the two buildings to be erected by Meadows One Associates (the "ground rental commencement date") in the annual amount of $16,380 per acre over the next 25 years.

3. Meadows One Associates would have the option to purchase the property, the site and improvements exercisable during the fifteenth year after the ground rental commencement date, for an amount equal to the Port Authority's unrepaid investment in the site and the unamortized amount of Port Authority investment in the buildings and site improvements as herein set forth.

4. Meadows One Associates would be obligated to complete two industrial buildings of approximately 50,000 square feet each and adjacent parking and truck dock areas and other site improvements (herein after "buildings and site improvements. Meadows One Associates would have the right to sublet these facilities to job-intensive industrial users with all sub-tenants and subleases being subject to Port Authority approval.

5. The Port Authority would invest up to $4,050,000 or 90% of the cost (estimated at $4.5 million) of the buildings and site improvements, whichever is less, which amount would also include imputed interest during construction to the ground rental commencement date, at which time Meadow One Associates would pay additional annual rent over the next 25 years of $.13084 (or $.10811, increasing by 10% every three years) for each dollar of Port Authority investment up to 80% of the said cost, not to exceed $3.6 million. Meadows One Associates would have the option to use third-party financing secured by a mortgage on the lease, with the mortgage and the mortgagee to be subject to Port Authority approval, in which event the Port Authority's investment would be limited to the lesser of $450,000 or 10% of the aforesaid cost.

6. Meadows One Associates would pay additional annual rent commencing on the fifteenth anniversary of the ground rental commencement date, in an amount equal to the sum of $1.05696 for each dollar of Port Authority investment which is not recoverable as aforesaid plus 10% of the pre-tax net cash flow of Meadow One Associates from its operation of the buildings.

7. Meadows One Associates would also pay additional annual rent in an amount equal to 2% of the cost of the buildings and site improvements commencing on the ground rental commencement date.

8. Meadows One Associates would also pay to the Port Authority annually a pro-rata share of the general operating and maintenance costs incurred by the Port Authority in connection with the Elizabeth Industrial Park.

(Board - 11/8/84)

9. The Port Authority would also invest up to $1 million for the purchase and installation of equipment and additional tenant-specific building finishing work in connection with approved Port Authority sub-tenancies; such amounts may be requested by Meadow One Associates through the 15th year after the ground rental commencement date and will be repaid in monthly installments sufficient to amortize the investment plus imputed interest over the balance of the said fifteen-year period; amounts so invested during the period ending on the second anniversary of the ground rental commencement date would result in an additional annual rent equivalent to the amount necessary to amortize the investment at 13.5% per year. All subsequent investment would be amortized utilizing the Citibank prime rate in effect as of the date of each such investment.

10. Meadows One Associates would be responsible for managing, operating and maintaining the premises and making all repairs, structural and non-structural, required during the term of the lease.

11. Meadows One Associates would use every good faith effort to meet a Minority Business Enterprise participation during construction of 20% for firms owned and controlled by minorities and 5% for firms owned and controlled by women.

Construction of the industrial buildings is expected to begin in early 1985.

A security deposit may be required.

The Port Authority's recovery on this investment is financially self-sustaining.

It was therefore recommended that the Board authorize:

1. the Executive Director to enter into an agreement with Meadows One Associates covering the letting of approximately eight acres of land at the Elizabeth Industrial Park;

2. that the agreement provide for investment by the Port Authority up to $4,050,000 for the design and construction of two industrial buildings of approximately 50,000 square feet each and adjacent parking and truck dock areas and other site improvements for a period of 25 years; and

3. that the agreement further provide for investment by the Port Authority up to an additional $1 million available to Meadow One Associates for a period of up to fifteen years for the design, construction and/or installation of tenant-specific building finishes and equipment.

Whereupon, the following resolution was unanimously adopted, Commissioner Kaltenbacher abstaining:

RESOLVED, that the Executive Director be and he is hereby authorized for and on behalf of the Port Authority to enter into an agreement with Meadows One Associates covering the letting of approximately eight acres of land at the Elizabeth Industrial Park in accordance with the foregoing; the said agreement to provide for investment by the Port Authority up to $4,050,000 for the design and

construction by Meadows One Associates of two industrial buildings of approximately 50,000 square feet each and adjacent parking and truck dock areas and other site improvements for a period of 25 years and to further provide for investment by the Port Authority up to an additional $1 million available to Meadows One Associates for a period of up to fifteen years for the design, construction and/or installation of tenant-specific building finishes and equipment; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

Industrial Development Program - Agreement with The City of New York Regarding Urban Development Action Grant Funds for the Bathgate Industrial Park

It was reported that the Board at its meeting on July 14, 1983, authorized the Executive Director to enter into a lease agreement with Collectors' Guild International (CGI). Among other things, the lease agreement provides for the Port Authority to reimburse CGI up to $3,840,000 for the design, construction and finishing of the project including an industrial building of approximately 70,000 square feet of grade space and 10,000 square feet of mezzanine space on Block 2914 at the Bathgate Industrial Park, including the purchase of equipment not to exceed $240,000. An Urban Development Action Grant (UDAG) has been awarded by the Department of Housing and Urban Development (HUD) to The City of New York (City) in order to loan CGI $1 million as part of their overall financing in connection with the project. HUD requires that the City maintain a secured position in the fixed assets acquired with the grant proceeds. Staff has substantially completed negotiations with the City in this connection and have concluded that a revenue sharing arrangement with the City in the event of a default on the loan or lease would best satisfy the HUD requirement.

The terms of the proposed agreement between the City and the Port Authority would provide, among other things, that in the event of a default on the UDAG loan by CGI, the City would be eligible to share in future rental revenues of the building, (either from rentals from CGI or, if the Port Authority terminates the CGI lease, from rentals of future tenants), in proportion to their unamortized investment in the CGI space at time of the default, until the UDAG loan obligation was satisfied.

It was therefore recommended that the Board authorize an agreement with The City of New York in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Executive Director on behalf of the Port Authority to enter into an agreement with The City of New York which would enable the City to provide $1 million of Urban Development Action Grant funds to be used by Collectors' Guild International (CGI) in connection with their move to the Port Authority building on Block 2914 in the Bathgate Industrial Park; the said agreement to be in accordance with the foregoing; the form of the agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 11/8/84)

City of Newark Lease - Newark Marine and Air Terminals - Fifteenth Supplemental Agreement - City of Newark Community Development Projects - City of Elizabeth Service/Operating Agreements - Policy Statement - Affirmative Action - Equal Employment Opportunity - Minority Business Enterprises - Women-Owned Business Enterprises

It was reported that the Port Authority operates Newark International Airport and Port Newark pursuant to the terms of an agreement dated October 22, 1947 between the City of Newark and the Port Authority covering the Newark Marine and Air Terminals, which agreement as previously supplemented and amended is hereinafter referred to as the City Lease. The Port Authority has found it increasingly difficult to plan for the recovery of its full debt service on investments at the Marine and Air Terminals because of the existing expiration date (December 31, 2016) of the City Lease and existing provisions of the City Lease with respect to the definition of net revenue. Accordingly, discussions were initiated with representatives of the City of Newark in 1982 in an effort to modify the City Lease.

Agreement in principle has been reached with the Mayor, and other officials of the City of Newark with respect to a proposed Fifteenth Supplemental Agreement to the City Lease. Major revisions include an extension of the term of the City Lease to December 31, 2031, the elimination of the Accumulation Account which totals $70.1 million as of January 1, 1984, and a provision that effective January 1, 1986, 30% of imputed debt service as defined in the Fifteenth Supplemental Agreement would be added to the Port Authority's costs and expenses for the purpose of determining net revenue. This should assure the Port Authority's ability to continue to make improvements and investments at the Newark Marine and Air Terminals. The City Lease would also be revised to reflect a change in how the interest rate, utilized in computing imputed debt service, is fixed. In addition, the guaranteed minimum rent payable to the City would be increased so that the Port Authority would pay an additional $5 million for the year 1983, and for subsequent years the minimum rent would start at $7.5 million for the year 1984 and then increase in increments of $1.5 million annually until the same reaches $18 million in the year 1991. The minimum rent will remain at $18 million for the years 1992-2031, but the City and the Port Authority would each have the right to reopen negotiations for the purpose of seeking rent modifications if the total rent paid to the City during the three highest years in each five-year period after 1991 does not exceed specified levels. The rent reopener revision will include provisions for the intervention upon request of either party of the office of the Governor of New Jersey. In any event, any modification agreement reached with the City would be subject to the approval of the Board.

The Fifteenth Supplemental Agreement would also provide for the funding by the Port Authority of community development projects in the City of Newark, mutually agreed to by the City and the Port Authority, in the annual amounts of $500,000 for the years 1985-1987 and $1million for the years 1988-2031; said amounts, to the extend paid out, would be treated as capital investments under the City Lease and made part of the debt service thereunder. The Port Authority expects to enter into service/operating agreements with the City of Elizabeth directly relating to the Air Terminal, and the Fifteenth Supplemental Agreement would recognize that the payments by the Port Authority under said agreements, not to exceed the aforesaid amounts for said years, will be included in the operation and maintenance expense under the City Lease for the year in which the same are paid.

Other revisions in the Fifteenth Supplemental Agreement include the change in the general and administrative expense from 15% to 14½%, the use of the airline lease cost recovery formula rather than the Deferred Flight fee amounts in the computation of flight fees for determining gross revenues under the City Lease, and, commencing with the year 1985, the making of the guaranteed minimum rental payments on a monthly basis instead of annually.

In view of the longstanding practice of the Port Authority of making its contract opportunity available to as many firms as possible, the affirmative steps the Port Authority has already taken to encourage minorities and minority business enterprises to seek business opportunities with the Port Authority and the anticipated adoption by the Municipal Council of the City of Newark, New Jersey of a resolution authorizing the execution by the City of Newark of the Fifteenth Supplemental Agreement to the City Lease it is desirable that the Port Authority reiterate its policies with respect to anti-discrimination, including its policy statement of August 27, 1980 and its policy statement of June 14, 1984, and further its encouragement of minorities and minority business enterprises to seek employment and business opportunities with the Port Authority and with its lessees and tenants at Newark International Airport and Port Newark performing major construction projects, and further its encouragement of equal employment opportunity through affirmative action with respect to its own employment practices and those of its major lessees at Newark International Airport and Port Newark.

It was therefore recommended that the Board authorize the Executive Director to execute the Fifteenth Supplemental Agreement amending and supplementing the agreement between the Port Authority and the City of Newark with respect to the Newark Marine and Air Terminals and further authorize the Executive Director to execute agreements with the City of Newark with respect to community development projects within the City of Newark, and further authorize the Executive Director to enter into service/operating agreements with the City of Elizabeth; and it is also recommended, that the Board adopt, specifically in connection with the aforesaid Fifteenth Supplemental Agreement and in connection with the implementation of development plans for Newark International Airport and Port Newark, the statement of Port Authority policy herein set forth concerning its active and affirmative promotion and assistance with respect to the participation of minorities and minority business enterprises and women-owned business enterprises in Port Authority construction, procurement and services programs, and in major construction projects of its lessees and tenants at Newark International Airport and Port Newark, and concerning its affirmative action policy for the maximizing of equal employment opportunities for minorities and women at Newark International Airport and Port Newark; all in accordance with the foregoing.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director for and on behalf of the Port Authority be and he hereby is authorized to execute the aforesaid Fifteenth Supplemental Agreement amending and supplementing the agreement of October 22, 1947 between the Port Authority and the City of Newark with respect to the Newark Marine and Air Terminals, as the same has been previously supplemented and amended, the Fifteenth Supplemental Agreement to contain the

substance of the provisions outlined below and other related aspects thereof; and is hereby further authorized to execute agreements with the City of Newark agreeing upon community development projects within the City of Newark; and is hereby further authorized to enter into service/operating agreements with the City of Elizabeth; the form of all agreements to be subject to the approval of General Counsel or his designated representatives; and it is further

RESOLVED, that the Board hereby adopts for Newark International Airport and Port Newark the following statement of policy:

WHEREAS, the Port Authority has a longstanding practice of making its contract opportunities available to as many firms as possible and has taken affirmative steps to encourage minorities and minority business enterprises to seek business opportunities with the Port Authority; and

WHEREAS, the Board of Commissioners of the Port Authority, in conjunction with its consideration of the Fifteenth Supplemental Agreement to the City Lease and in connection with the implementation of development plans for Newark International Airport and Port Newark, desires to reiterate its policies with respect to anti-discrimination, including its policy statement of August 27, 1980 and its policy statement of June 14, 1984 with respect to minorities and minority business enterprises, and desires to further its encouragement of minorities and minority business enterprises and women-owned business enterprises to seek business opportunities with the Port Authority; and

WHEREAS, the Port Authority has created the position of Director of Minority Business Development to provide overall supervision to its efforts to assure the participation of minorities and minority business enterprises and women-owned business enterprises in all Port Authority projects; and

WHEREAS, the Board of Commissioners of the Port Authority, in connection with the implementation of development plans for Newark International Airport and Port Newark and the aforesaid Fifteenth Supplemental Agreement to the City Lease, desires to actively and affirmatively promote and assist the participation of minorities and minority business enterprises and women-owned business enterprises in Port Authority construction, procurement and services programs at Newark International Airport and Port Newark and in major construction projects by its lessees and tenants at Newark International Airport and Port Newark; and

WHEREAS, the Board of Commissioners of the Port Authority further desires to actively and affirmatively promote and encourage the maximizing of equal employment opportunities for minorities and women at Newark International Airport and Port Newark; and

WHEREAS, the Port Authority shall prepare annual reports delineating its efforts to implement this resolution and furnish copies thereof to the Mayor of the City of Newark, New Jersey and to the Municipal Council of the City of Newark, New Jersey; be it

RESOLVED, that the Port Authority, in connection with the negotiation, award and implementation of all its construction, procurement and service contracts at Newark International Airport and Port Newark and in connection with major construction projects by Port Authority lessees and tenants at Newark International Airport and Port Newark:

1) shall provide in its construction, procurement and service contracts and shall require its lessees and tenants, as aforesaid, to provide in their contracts and subcontracts that:

a) The contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training,

b) At the request of the Port Authority, and in the case of its lessee or tenant, at the request of the lessee or tenant, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Port Authority or with its lessee or tenant, as aforesaid, to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder,

c) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract with the Port Authority, or with its lessee or tenant, as aforesaid, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status,

d) The contractor will include the provisions of subparagraphs (a) through (c) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract with the Port Authority or with its lessee or tenant, as aforesaid; and

2) shall establish procedures and guidelines to ensure that its contractors and subcontractors and its said lessees and tenants and their contractors and subcontractors undertake programs of affirmative action as required under paragraph 1 above. Such procedures, where practicable, shall require the submission of an affirmative action program prior to the award of any contract, or at any time thereafter, and require the submission of compliance reports relating to the operation and implementation of any affirmative action program adopted hereunder. Such procedures and guidelines shall be generally consistent with the guidelines promulgated by the Office of Federal Contract Compliance Programs of the United States Department of Labor pursuant to presidential executive order eleven thousand two hundred forty-six, as amended, and any similar guidelines promulgated by both the States of New York and New Jersey. The Port Authority shall, in the promulgation of procedures and guidelines pursuant to this paragraph, cooperate with and shall require that its said lessees and tenants cooperate and that their contractors and subcontractors cooperate with any Federal, state or local agency established for the purpose of implementing affirmative action compliance programs; and it is further

RESOLVED, that the Port Authority in connection with its employment practices at Newark International Airport and Port Newark and in connection with all new major leases (including renewals) at Newark International Airport and Port Newark:

1) shall actively promote and encourage the maximizing of equal employment opportunities for minorities and women and shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training,

2) shall provide in all new major leases (including renewals) as aforesaid that:

a) the lessee will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination,

b) the lessee, in connection with its continuing operation, maintenance and repair of its facilities and in connection with every award or agreement for concession or consumer services it may make, shall commit itself to and use good faith efforts to implement an extensive program of affirmative action, including specific affirmative action steps to be taken by the lessee, to ensure maximum opportunities for employment and contracting by minorities and women; and it is further

RESOLVED, that the Port Authority shall seek meaningful participation in its construction, procurement and service programs at Newark International Airport and Port Newark by minority business enterprises and women-owned business enterprises. The Port Authority shall designate as a goal and shall use good faith efforts to achieve at least 10 percent with respect to minority business enterprises of the total dollar value of such contracts under the aforesaid programs to be let each year for goods and services and also designated as a goal and use good faith efforts to achieve at least one percent with respect to women-owned business enterprises of the total dollar value of such contracts under the aforesaid programs to be let each year for goods and services; and it is further

RESOLVED, that the Port Authority shall require its lessees and tenants performing major construction projects at Newark International Airport and Port Newark to seek meaningful participation by minority business enterprises and women-owned business enterprises in said construction projects. The Port Authority shall designate as a goal and shall require each lessee and tenant, as aforesaid, to use good faith efforts to attain a goal of at least ten percent of the total dollar value of the construction contracts covering each of the said construction projects for the participation by minority business enterprises, and a goal of at least one percent of the total dollar value thereof for the participation by women-owned business enterprises; and it is further

RESOLVED, that the Port Authority shall move as expeditiously and diligently as possible to increase the aforementioned percentage goals; and it is further

RESOLVED, that for purposes hereof, minority business enterprise shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing, and further that for the purposes hereof, the term "minority" includes:

(1) Black persons having origins in any of the Black African racial groups not of Hispanic origin;

(2) Hispanic persons of Puerto Rican, Mexican, Dominican, Cuban, Central or South American culture or origin, regardless of race;

(3) Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands;

(4) American Indian or Alaskan Native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification; and it is further

RESOLVED, that for the purposes hereof, women-owned business enterprise shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women; and it is further

RESOLVED, that in the implementation of this resolution, the Port Authority may consider compliance by any contractor, lessee or tenant with the provisions of any Federal, state or local law concerning minority business enterprises, women-owned business enterprises or equal employment opportunity which are at least equal to the provisions of this resolution, as effectuating the provisions of this resolution. If the Port Authority determines that by virtue of such compliance with the provisions of any such law, in respect to contracts under the aforesaid construction, procurement and services programs, the aforesaid construction projects and leases, that the provisions hereof duplicate or conflict with such law, the Port Authority may waive the applicability of the provisions of this resolution to the extent that such duplication or conflict exists; and it is further

RESOLVED, that none of the provisions of this resolution shall be construed to limit the ability of any minority business enterprise, as defined herein or otherwise, or any women-owned business enterprise, as defined herein or otherwise, to bid on any Port Authority contract or any contract of a Port Authority lessee or tenant; and it is further

RESOLVED, that the Port Authority shall encourage the formation and growth of minority business enterprises and women-owned business enterprises which may be able to meet the construction, procurement and service needs of the Port Authority, including efforts to seek innovative techniques to overcome the barriers to such formation and growth and to enhance the ability and capability of minority business enterprises and women-owned business enterprises to do business with and for the Port Authority; and it is further

RESOLVED, that in order to implement the requirements and objectives of this resolution, the Port Authority shall maintain an office within the Port Authority for the purpose of monitoring its and its contractors' compliance with the provisions hereof, and the compliance by the aforesaid lessees and tenants with the provisions hereof, of advising the Port Authority on the availability of qualified minority business enterprises and women-owned business enterprises to perform contracts proposed to be awarded by the Port Authority, and of making recommendations to the Port Authority to improve the access of minority business enterprises and women-owned business enterprises to Port Authority contracts, and contracts of its lessees and tenants, as aforesaid.

(Board - 11/8/84)

Hoboken Piers - Proposed Hoboken Waterfront Development - Project Authorization for Demolition and Related Work - Authority to Award Contracts

It was reported that, at its meeting on December 8, 1983, the Board authorized the Executive Director to undertake all necessary planning for mixed-use waterfront development projects in Hoboken, New Jersey and Hunters Point, Queens, New York. Work under the Board authorization is well underway for each site, including consultant-assisted physical planning and environmental analyses. Legislation authorizing Port Authority involvement in actual waterfront development projects was signed into law by the Governors of New York and New Jersey on August 2, 1984. Work on each of the proposed projects pursuant to this legislation is, of course, subject to appropriate authorizations and certifications, including any required for the issuance of Consolidated Bonds in connection with any additional facilities of the Authority.

For the Hoboken site, planning work has progressed to the point where staff has determined that certain upland and over water structures which were originally required at the marine terminal facility for marine break bulk cargo and passenger operations are now underutilized, and will not be necessary for the proposed mixed-use Hoboken Waterfront Development and, in fact, should be removed to clear the site. Specific structures which appear to require removal and/or demolition include Pier A, Pier B and Pier C, including pier sheds, adjacent headhouses and related and ancillary structures, such as a roadway ramp and water tower. It is appropriate to commence preparation of engineering plans and specifications for this demolition on the site, since the site is currently under development planning by the Port Authority and its consultants in cooperation with the City of Hoboken in connection with the proposed Hoboken Waterfront Development.

Costs for actual performance of this demolition work are roughly estimated at $12.3 million, for which Board authorization will be requested as appropriate, including specific contract work described below. In view of the present lack of shipping activity at this facility, this demolition work is not expected to interfere with marine-related use of the facility, even if the proposed Hoboken Waterfront Development project does not go forward.

Staff finds it necessary and desirable that certain demolition work be performed at the earliest possible time. This work consists of the demolition of the unused shed structure on Pier A, as well as ancillary work, including construction or rehabilitation of security and safety fencing and roadway guardrails related to the waterfront site.

The shed structure on Pier A is the only pier shed structure within the Hoboken Piers facility that is not protected by the continuous upland headhouse and is, therefore, more directly accessible from adjacent upland areas. Under the terms of the lease between The City of Hoboken and the Port Authority, the Port Authority has responsibility for the physical condition, safety and security of the facility, including the Pier A shed structure, and such accessibility is deemed to be a matter of concern regarding public safety and security. The City of Hoboken administration is supportive of this work. Further, this demolition is timed to coincide with work currently underway by the U.S. Army Corps of Engineers under the Federal Waterfront Cleanup Program.

(Board - 11/8/84)

Contract HWD-210.001, which provides for demolition of the Pier A shed structure, has been prepared and publicly advertised for bid, with bids scheduled to be received on or about November 27, 1984. The Board, at its meetings on August 27, 1980 and June 14, 1984, authorized the Executive Director to establish and implement affirmative efforts with regard to contracting opportunities. Accordingly, Contract HWD-210.001 will contain a provision to the effect that the lowest qualified bidder will be required to meet a goal for Minority Business Enterprise participation of 10% for firms owned and controlled by minorities and 1% for firms owned and controlled by women.

In connection with Contract HWD-210.002, which provides for the installation and rehabilitation of security fencing, and Contract HWD-210.003, which provides for the installation of a traffic barrier, bids will be solicited from a select list of minority contractors. Bids are presently scheduled to be received on or about November 27, 1984.

In awarding all of these contracts, the Port Authority will use its best efforts to ensure that 10% of the total dollar value of the contract work will be performed by qualified minority business enterprises.

Costs for performance of the work under Contracts HWD-210.001, HWD-210.002 and HWD-210.003 are presently estimated in the range of $800,000, including payments to contractors plus an allowance for extra work and engineering, administrative and financing expenses.

It was therefore recommended that the Board authorize:

1. a project for demolition of underutilized upland and over water structures required to be removed and which may not be necessary for the proposed Hoboken Waterfront Development (for which certifications and Board authorizations will be sought as appropriate), at an expenditure presently estimated at $12.3 million, including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses;

2. the Executive Director, in his discretion, to award Contract HWD-210.001, Hoboken Waterfront Development, Pier A, Demolition of Pier Shed, to the lowest bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable and to order extra work up to the amount of 10% of the amount of the bid accepted, or to reject all bids; and

3. the Executive Director, in his discretion, to award Contracts HWD-210.002, Hoboken Waterfront Development, Security Fencing, and HWD-210.003, Hoboken Waterfront Development, Traffic Barrier, to that bidder on each contract, from a list of qualified minority contractors solicited to bid on the contract, who submits the lowest bid on the contract and who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable, and to order extra work up to the amount of 10% of the amount of the bid accepted on the contract, or to reject all bids.

(Board - 11/8/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project for demolition of underutilized upland and over water structures required to be removed and which may be necessary for the proposed Hoboken Waterfront Development (for which certifications and Board authorizations will be sought as appropriate), at an expenditure presently estimated at $12.3 million, including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses, is authorized; and it is further

RESOLVED, that the Executive Director is authorized, in his discretion, to award Contract HWD-210.001, Hoboken Waterfront Development, Pier A, Demolition of Pier Shed, to the lowest bidder who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable, and to order extra work up to the amount of 10% of the amount of the bid accepted, or to reject all bids; and it is further

RESOLVED, that the Executive Director is authorized, in his discretion, to award Contract HWD-210.002, Hoboken Waterfront Development, Security Fencing, and HWD-210.003, Hoboken Waterfront Development, Traffic Barrier, to that bidder on each contract, from a list of qualified minority contractors solicited to bid on the contract, who submits the lowest bid on the contract and who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable, and to order extra work up to the amount of 10% of the amount of the bid accepted on the contract, or to reject all bids.

(Board - 11/8/84)

Authorization to Invest Operating Funds in a Venture Capital Fund

It was recalled that the Committee on Finance has previously authorized investment of operating funds, subject to certain restrictions, in obligations of, or fully guaranteed by, the United States; collateralized Time Accounts; securities of United States government agencies and sponsored enterprises; negotiable Certificates of Deposit; negotiable Bankers' Acceptances and Commercial Paper. Since mid-1983, the feasibility and desirability of investing a portion of Port Authority operating funds in a venture capital fund has been explored. This venture capital fund would make investments in businesses located in the Port District for the purpose of creating new business activity in the Port District and would offer an opportunity for a return on investment in excess of that obtainable from more secure investment opportunities currently available to the Port Authority.

In evaluating the merits of such a targeted Port District fund, staff examined the formation of venture capital funds by other states; consulted with industry experts; analyzed the performance and philosophy of venture capital funds; investigated the regional demand for venture capital funds and the economic impact such investment could have for our region; and solicited expressions of interest from professional venture capital managers who had either a minimum of $10 million under management or at least seven years of experience in the business, enjoyed a special reputation in the industry, or had been recommended by industry experts. Eleven firms expressed interest in the concept and endorsed the idea, although six chose not to respond to the Request for Information and Qualifications, because they had recently raised major funds themselves or because management of a proposed Port Authority fund would require a change in their internal policies. Five firms submitted expressions of interest. They were:

Donaldson, Lufkin, and Jenrette Capital Corp., New York, New York
Adler & Company, New York, New York
Tessler & Cloherty, New York, New York
Carl Marks & Company, New York, New York
J.J. Lowrey, New York, New York

These firms and the information they submitted were evaluated against several criteria, including investment record of the firm, management background and qualifications of the firm's personnel, and receptiveness to the Port Authority's objectives, as well as their experience as lead investors and their ability to leverage additional investment for projects in which Port Authority funds are invested. Finally, the firms were evaluated on the basis of investment philosophy.

On the basis of these evaluations, staff recommends the retention of Adler & Company a privately held venture capital investment firm of which Fred Adler is the Managing General Partner and a major principal. The firm is known in the industry for its active participation in the management of companies and their emphasis on startup and early stage investments. Through December 31, 1983, Adler & Company's internal rate of return on original capital invested during the preceding five years was approximately 50%. An additional factor is that Adler & Company's proposal for managing a Port Authority venture capital fund would have the personal commitment and involvement of Mr. Adler, one of the nation's prominent venture capitalists.

(Board - 11/8/84)

Staff recognizes the risk, including the possibility of loss of principal inherent in venture capital investments, and believes that this risk has been minimized by selecting a reputable and experienced venture capitalist to screen, select and oversee the investments; by requiring coinvestment in individual investments; and by maintaining an open policy relative to the type of industry and stage of development, thus promoting a diverse portfolio. Venture capital investments have often provided financial returns significantly higher than investments allowed under current Port Authority policy for operating funds, and given that a purpose of the fund is to provide economic benefit to the region, the expected returns both for the Port Authority and region appear to justify the level of additional risk.

It was therefore recommended that the Board:

1. provide for the investment of up to $10 million of operating funds in venture capital capital business projects within the Port District in addition to those instruments in which the Executive Director is or may be from time to time authorized to invest such funds; and

2. authorize the Executive Director, subject to approval of the Chairman of the Port Authority and the Chairman of the Committee on Operations, to enter into an agreement with Adler & Company to establish and manage a separate fund for the purpose of making such venture capital investments.

Whereupon, pursuant to the foregoing report, the following resolution was adopted, Commissioners English, Glucksman, Henderson, Kaltenbacher, Sagner, Schulman, Van Fossan and Wagner voting "aye" and Commissioners Hutchison, McGoldrick and Ronan voting "nay":

RESOLVED, that in addition to those instruments in which the Executive Director is or may be from time to time authorized to invest operating funds, the Executive Director is hereby authorized to invest up to $10 million of such funds in venture capital business projects within the Port District; and it is further

RESOLVED, that the Exective Director is hereby further authorized, subject to approval of the Chairman of the Port Authority and the Chairman of the Committee on Operations, to enter into an agreement with Adler & Company, New York, New York, to establish and manage a separate fund for the purpose of investing in venture capital business projects within the Port District; the form of such agreement to be subject to the approval of General Counsel or his designated representative.

(Board - 11/8/84)

The World Trade Center - Lease with the Aetna Casualty and Surety Company

It was reported that, subject to approval, staff has reached agreement with the Aetna Casualty and Surety Company for the initial leasing of approximately 140,000 rentable square feet of space on Floors 35, 36, 37 and half of 38 in Two World Trade Center. The letting would expire ten years after the commencement thereof, with Aetna having options to renew for two additional five-year terms. In addition to the 140,000 rentable square feet, Aetna would have rights to lease the balance of the 38th floor, amounting to approximately 22,000 square feet additional.

The rental rate for the two-year nine-month period following the rental start date would be $25 per rentable square foot per year and for the balance of the initial term at $30.35 per rentable square foot per year. There would be additional charges for cleaning and electricity. If Aetna elects to extend the lease, pursuant to each option, the rent for each five-year renewal period would be the greater of 95% of fair market value or the rent payable during the last year of the previous term. Aetna will pay additional rent to cover increases in operating costs at the rate of .6 cents per 1 cent increase in the porters wage rate and additional rent to cover increases in payments in-lieu-of taxes. In the event The World Trade Center is sold, Aetna would be protected from the major initial real estate tax increases resulting from the sale.

Aetna's options to rent the 22,000 square feet remaining on the 38th floor would be applicable on the following basis: (1) within sixty days of execution and delivery of the lease Aetna may rent any portion of the balance of the 38th floor which exceeds 4,500 rentable square feet on the same terms as the initial 140,000 rentable square feet; (2) the balance of the space on the 38th floor remaining after the initial leasing and the expiration of the option period described in (1) will be divided into three units and Aetna would have the right to lease one unit effective no later than the commencement of the fourth, sixth and eighth years of the term of the initial letting subject to postponement by the Port Authority. If Aetna exercises any of these options described in (2) above, the rent for that additional space would be $28 per rentable square foot per year plus accrued escalation for increases in operating costs and in-lieu-of tax payments; such space will be taken in its "as-is" condition.

The initial space plus any space leased pursuant to the option described in (1) of the preceding paragraph will be constructed pursuant to architectural and engineering plans prepared to meet Aetna's requirements. Special construction items requested by Aetna over and above standard work will be included in the construction work and the tenant will pay an additional monthly rental for each dollar of the cost of such items at a rate which will not be less than that which would equate to an annual amount equal to .184961 times the cost of the special work, payable in 117 consecutive monthly installments. The lease term will commence when the space is turned over to Aetna for its occupancy; the repayment of the special work and the payment of basic rent will commence three months after the space is turned over to Aetna for its occupancy (the rent commencement date).

When agreement was reached with Aetna on the basic terms of the lease, New York State's schedule for relocating from the 35th through 38th floors would have made them vacant and available for construction by January 1, 1985 and, after reconstruction, for occupancy by Aetna by March 31, 1985. The State's move-out schedule has been delayed and they now anticipate vacating the Aetna floors in March 1985 which will delay the completion of construction for Aetna for several months, at least until July 1985. Since Aetna is subject to financial penalties if it does not vacate its current quarters by March 31, 1985, the lease will provide that the actual costs incurred by Aetna as a result of a delayed move-out because their World Trade Center space has not been reconstructed will not be borne by the Port Authority, and will be reflected as a rent credit, however, such, credit may not exceed the equivalent of 1¼ days rent for each one day that construction completion is delayed beyond March 31, 1985. In the event that the State has not moved out of all the Aetna floors by June 30, 1985 or if the reconstruction of the space for Aetna has not been completed by November 1, 1985, Aetna may cancel the lease with no penalty to either party.

There will be real estate brokerage commissions payable on this leasing, including the options for additional space and the first lease renewal, at rates not to exceed the schedule authorized by the Board at its August 1977 meeting.

It was therefore recommended that the Board authorize the Port Authority acting on behalf of the Fund for Regional Development to enter into a lease with the Aetna Casualty and Surety Company covering the letting of up to approximately 164,000 rentable square feet in Two World Trade Center to be vacated by the State of New York for an initial term of ten years, with options to renew for two additional five-year terms.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Port Authority acting on behalf of the Fund for Regional Development to enter into a lease with the Aetna Casualty and Surety Company covering the letting of up to approximately 164,000 rentable square feet in Two World Trade Center to be vacated by the State of New York for an initial term of ten years, with options to renew for two additional five-year terms; and it is further

RESOLVED, that the form of the agreement be subject to the approval of General Counsel or his designated representative.

(Board - 11/8/84)

Port Authority Bus Terminal Extension - Finishes and Superstructure - Contract BT-190.007 - Settlement of Claims

It was reported that the Board, at its meeting on January 13, 1977, authorized the award of Contract BT-190.007, Port Authority Bus Terminal Extension, Finishes and Superstructure, to P.J. Carlin Construction Company and Atlas Tile & Marble Works, Inc., a joint venture, the low bidder, at an estimated total contract price of $33,171,010, including a $864,000 ten-year maintenance agreement for heating, ventilating and air conditioning controls, exclusive of an authorization of $3,250,000 for extra work under the construction contract and an authorization of $85,000 for extra work under the maintenance agreement. The contract also provided for the performance of certain duct work, reconstruction work and reimbursable tenant work in the existing Bus Terminal on a net cost basis. Subsequently, various Board, Committee and Executive Director actions increased total authorized payments under Contract BT-190.007 to approximately $40.3 million.

During the latter portions of the contract work, the contractor submitted claims totaling approximately $28.7 million based upon additional costs which it claims to have incurred while performing the work. These costs are claimed to have been caused by work suspensions, interruptions and delays, all of which are alleged to be the result of Port Authority actions regarding inadequate contract drawings and an excessive amount of extra work.

Staff has extensively reviewed the allegations made by the contractor and has found them to be valid in certain respects. Staff, therefore, conducted an extensive review and analysis of the contractor's claims, and after a series of negotiations with the contractor, has reached a tentative settlement of $6,714,609 for all claims. As a term of the settlement, the Port Authority will agree to limit its claim against Carlin-Atlas for certain defects in the chillers furnished and installed at the Bus Terminal to that amount, if any, which Carlin-Atlas' mechanical subcontractor recovers in its pending lawsuit against the chiller manufacturer. Staff believes that the amount of the proposed settlement is fair and equitable and that it is in the best interest of the Port Authority to settle these claims now.

With regard to said recommendation, the contractor will be required to execute a general release of all claims against the Port Authority before any payment is made. The Port Authority is also presently holding, pursuant to the terms of the contract, $1,615,315, which is not payable to the contractor until a determination of the total compensation payable to the contractor is made. Since 99% of all contract work is completed, after the execution of the general release, the contractor will be paid $1,115,315 of the monies presently being held by the Port Authority. The remaining monies will be paid to the contractor as work is completed and as approved by the Executive Director. The Port Authority will at all times, until the final completion of the work, retain monies equal to 200% of the estimated value of work still to be performed.

It was therefore recommended that the Board authorize:

1. a settlement of $6,714,609 with P.J. Carlin Construction Company and Atlas Tile & Marble Works, Inc., a joint venture, for all claims for work performed under Contract BT-190.007, payable upon execution of a general release to the Port Authority; and

2. payment to the contractor after execution of a general said release of $1,115,315 in contract monies presently held by the Port Authority, with the remainder of such monies to be paid to the contractor as work is completed, as approved by the Executive Director, the monies to be retained by the Port Authority until completion of all work under the contract to at all times represent 200% of the estimated value of the work still to be performed.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize:

1. a settlement of $6,714,609 with P.J. Carlin Construction Company and Atlas Tile & Marble Works, Inc., a joint venture, for all claims for work performed under Contract BT-190.007, payable upon execution of a general release to the Port Authority; and

2. payment to the contractor after execution of said general release of $1,115,315 in contract monies presently held by the Port Authority, with the remainder of such monies to be paid to the contractor as work is completed, as approved by the Executive Director, the monies to be retained by the Port Authority until completion of all work under the contract to at all times represent 200% of the estimated value of the work still to be performed; and it is further

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

(Board - 11/8/84)

Leasing and Rehabilitation of Office Space at 84 Sip Avenue, Journal Square, Jersey City, New Jersey, for Occupancy by Port Authority Units

It was reported that additional office space will be required in the Journal Square area for staff of the Rail Transportation and Public Safety Departments. The Rail Transportation Department requires the space to house new staff hired to plan and oversee the major PATH capital improvement program. The Public Safety Department requires the space for staff expansion which will enable it to carry out more fully its responsibilities in the areas of patron safety and facility security. Because of these developments, it is necessary to relocate units of the Public Safety Department, including its police training facilities, from the Journal Square Transportation Center (JSTC) to leased premises at 84 Sip Avenue, formerly owned by the Public Service Electric and Gas Company. The 84 Sip Avenue building is adjacent to the JSTC. It is centrally located and provides convenient access to The World Trade Center as well as other areas in New Jersey. Total travel time by PATH from the building to The World Trade Center is approximately 20 minutes. Further, its proximity to existing staff offices at the JSTC will permit the most cost effective provisions of centralized services such as mail distribution services, automotive and employee eating facilities.

The building is four stories high with approximately 11,000 square feet of rentable space on each floor. The Port Authority will occupy floors two through four plus a portion of the basement.

Under the proposed lease agreement, the Port Authority will pay a total of $11.50 per square foot for approximately 32,500 square feet of office space on floors two to four increasing to $17.25 per square foot for the second through the fifth years of the lease period. In addition, the Port Authority will pay $7 per square foot for approximately 5,000 square feet of basement space for years one through five of the lease agreement. In addition the Port Authority will be required to pay for tenant electricity. Further, the lease contains an option for the Port Authority to extend the agreement for three years. If this option is exercised, the rental rate for the sixth through eighth years would rise to $20.36, representing an 18% increase, for floors two through four, and to $7.84, representing a 12% increase, for basement space.

The first year's rental rate includes a proportional share of building operation and maintenance costs including security, cleaning, heating, air conditioning, other utilities and real estate taxes. In the second and succeeding years of the lease, the Port Authority will pay cost increases for these items.

With respect to tax escalation during the second and third years, the Port Authority will pay its prorated share of increases resulting from higher tax rates, and in the fourth and succeeding years the Port Authority will pay its prorated share of increased taxes resulting from higher tax assessments as well as higher rates.

Under the terms of the agreement, the owner will be responsible for certain rehabilitation which the Port Authority will require to make the space suitable for a modern office. In order to complete the relocation and consolidation of the Public Safety Department, the Port Authority will (1) provide a professional moving firm to relocate staff; (2) purchase new office furnishings and telephone service and (3) require some construction necessary to meet special Port Authority requirements for police training facilities. Total estimated cost for these items is $2.2 million. It is expected that the proposed occupancy will be staged with the total occupancy to be completed on or about March 1, 1985.

(Board - 11/8/84)

It was therefore recommended that the Board authorize the Executive Director to:

1. execute a lease with Margulies Associates, a limited partnership, for approximately 37,500 rentable square feet of space in a building located at 84 Sip Avenue in the Journal Square area of Jersey City, New Jersey, for a period of five years, for a term commencing on or about March 1, 1985, with an option for a three-year extension, terminable by the Port Authority without penalty at the end of each year of the extension, to meet the interim space needs of the Port Authority. The first year rental rate is $11.50 per square foot for approximately 32,500 rentable square feet of office space increasing to $17.25 per rentable square foot for the second through fifth years of the lease and $7 per square foot for 5,000 rentable square feet of basement space for years one through five; if the option for the three-year extension were exercised, the rental rate for years six through eight for 32,500 rentable square feet of space on floors two through four would be increased to $20.36 per rentable square foot, and for 5,000 rentable square feet of basement space would be increased to $7.84 per rentable square foot. Rental rates for the first year include all operation and maintenance costs including real estate taxes, janitorial services and utilities (except for tenant electricity). Thereafter the Port Authority would be required to pay its proportionate share of such cost increases only; and

2. incur expenses of approximately $2.2 million for construction and moving and relocation services, the purchase of storage and other equipment and office furnishings, and the provision of telephone services.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to execute a lease with Margulies Associates, a limited partnership, for approximately 37,500 rentable square feet of space in the building located at 84 Sip Avenue in the Journal Square area of Jersey City, New Jersey, for a period of five years for a term commencing on or about March 1, 1985 with an option for a three-year extension, to meet the interim space needs of the Port Authority; the first year's rental rate is $11.50 per rentable square foot for approximately 32,500 rentable square feet of office space increasing to $17.25 per rentable square foot for the second through fifth years of the lease and $7 per square foot for 5,000 rentable square feet of basement space for years one through five; if the option for the three-year extension were exercised, the rental rate for years six through eight for 32,500 rentable square feet of space on floors two through four would be increased to $20.36 per rentable square foot, and for 5,000 rentable square feet of basement space to be increased to $7.84 per rentable square foot. Rental rates for the first year include all operation and maintenance costs including real estate taxes, janitorial services and utilities (except for tenant electricity), thereafter the Port Authority would be required to pay its proportionate share of such cost increases only; and it is further

(Board - 11/8/84)

RESOLVED, that the Executive Director be and he hereby is authorized to incur expenses of approximately $2.2 million for construction and moving and relocation services, the purchase of storage and other equipment and office furnishings, and the provision of telephone services; and it is further

RESOLVED, that the form of the lease and other related documents be subject to approval of General Counsel or his designated representative.

(Board - 11/8/84)

Engineering Department - Retention of Professional Services on an As-Needed Basis - Amendment of Authorization

It was reported that the Board at its meetings on December 8, 1983, March 8, 1984 and June 14, 1984, authorized the Chief Engineer to retain professional services on an as-needed basis for the 1984 calendar year at total estimated aggregate compensations of $11 million for various professional and advisory service firms, $5.2 million for the temporary help and technical service needs of the Engineering Department and $2.5 million for the temporary help needs of various line departments. At the time these authorizations were requested, staff indicated that the Engineering Department's planned workload for 1984 suggested an overdemand of more than $22 million (prior to budgetary adjustment) in staff time. However, the initial authorization only requested a portion of the total monies required, noting that if additional monies were required the Chief Engineer would seek further authorization from the Board. Since the initial authorization was obtained in December 1983, the Chief Engineer has received additional authorizations in March and again in June of 1984.

Staff now estimates that the aggregate estimated compensation of $11 million under these authorizations for the Engineering Department to retain various professional and advisory service firms must be increased to an aggregate estimated compensation of $13 million in order to satisfy actual staff overdemand. Thus far in 1984, under the aforementioned authorizations, the Engineering Department has entered into 73 agreements with various professional and advisory service firms totaling approximately $7.6 million, and proposals have been solicited for another 40 projects which are estimated to cost an additional $4.9 million, thus requiring the additional $2 million requested herein.

The same selection procedures previously used and reported to the Board will be used for the additional $2 million authorization. The agreements will provide for the retention of various professional and advisory service firms, at a maximum compensation of $250,000 per agreement, to undertake studies, perform professional inspections, provide advice and opinions, develop recommendations, prepare contract documents and perform post-award contract work on an as-needed basis for architectural and engineering related work for various small-scale Port Authority and PATH projects initiated during 1984.

It was therefore recommended that the Board authorize an increase in the authorization of the Chief Engineer to retain various professional and advisory service firms for various small-scale Port Authority and PATH projects, initiated during 1984, from an aggregate estimated compensation of $11 million to an aggregate estimated compensation of $13 million.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the authorization of the Chief Engineer to retain various professional and advisory services firms for various small-scale Port Authority and PATH projects, initiated during 1984, is increased from an aggregate estimated compensation of $11 million to an aggregate estimated compensation of $13 million.

(Board - 11/8/84)

George Washington Bridge - Broadway and Wadsworth Avenue Bridges over the Trans-Manhattan Expressway - Structural Repairs - Contract GWB-207 - Award

It was reported that the Committee on Operations, at its meetings on February 9, 1984 and September 13, 1984, authorized the Chief Engineer to enter into agreements with Howard, Needles, Tammen & Bergendoff (HNTB) for professional engineering services regarding repairs to the bridges over the George Washington Bridge Expressway at Broadway and Wadsworth, St. Nicholas and Audubon Avenues. To date, HNTB is approximately 40% complete with its work and has recommended that repairs be made to all four bridges. A rough estimate of $6 million for total construction costs has been determined by staff, based on HNTB's findings to date.

Contract GWB-207 the first of several contracts planned, provides for making structural repairs on the Broadway and Wadsworth Avenue bridges over the Trans-Manhattan Expressway on the New York Approach to the George Washington Bridge. The work under this contract includes the furnishing and installation of steel support brackets at various locations throughout the bridges the removal of concrete slabs in the exterior bays and the replacement of the concrete slabs in the fan bays, the resupport of utility lines adjacent to the fan bays, furnishing and installation of a new partial lighting system and for making improvements to the roadway drainage system.

In addition, the contract provides for removing loose concrete from the underside of the concrete slabs under the Broadway, Wadsworth, St. Nicholas and Audubon Avenue Bridges and for re-routing traffic, as directed, to permit such work to be done, all on a net cost basis presently estimated at roughly $30,000.

A large portion of the work under this contract will be performed during nighttime weekday and weekend hours so as to minimize interference with traffic flow and essential facility operations.

The contract was publicly advertised and the following bids were received on October 30, 1984:

	Lump Sum Amount
Bellezza Company, Inc. S. Kearny, New Jersey	$2,304,020
Schiavone Construction Co. Secaucus, New Jersey	2,425,000
Ardsley Construction Co., Inc. Scarsdale, New York	2,537,000
CONSULTANT'S ESTIMATE	$2,410,000

Bellezza Company, Inc. submitted the lowest bid and was determined by the Chief Engineer to be qualified to perform the contract.

(Board - 11/8/84)

It was therefore recommended that the Board authorize the Executive Director to award Contract GWB-207, Bridges over the Trans-Manhattan Expressway, Structural Repairs, Broadway and Wadsworth Avenue Bridges, George Washington Bridge, to Bellezza Company, Inc. in the lump sum amount of $2,304,020, and to order extra work up to the amount of $230,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to award Contract GWB-207, Bridges over the Trans-Manhattan Expressway, Structural Repairs, Broadway and Wadsworth Avenue Bridges, George Washington Bridge, to Bellezza Company, Inc. in the lump sum amount of $2,304,020, and to order extra work up to the amount of $230,000.

(Board - 11/8/84)

George Washington Bridge - Joint Roadway Improvements with the Palisades Interstate Park Commission

It was reported that the Palisades Interstate Park Commission is undertaking a program to improve approximately eleven miles of the Palisades Interstate Parkway from the George Washington Bridge to the New York State Line. The project will replace existing lighting, improve the roadway shoulders and install safety features. Since the Commission has insufficient personnel and expertise to prepare and administer the program, the Commission and the New Jersey Department of Transportation have signed an agreement whereby the State is undertaking the work and will be reimbursed by the Commission.

A contract for the improvement of the 1.9 mile section at the south end of the Parkway is currently underway at the estimated cost of $1.02 million and the work is expected to be finished in the next few weeks. Those portions of the contract involving State highway connections to the Parkway qualify for 75% Federal Aid from the Federal Highway Administration (FHWA) with the State contributing the remaining 25%. Some sections of the contract qualify for 75% Federal Aid with the Commission paying the 25% local share. The State of New Jersey has informed the Commission that those portions of the Parkway between the George Washington Bridge Toll Plaza and the last free exit from the Parkway and the first free entrance to the Parkway do not qualify for Federal Aid. Therefore, the Commission must pay 100% of the cost of the improvements on that section. The Commission has requested the Port Authority to contribute to these costs since the bridge patrons will be the prime beneficiaries of the improvements. Staff recommends that the Port Authority reimburse the Commission $192,750 which represents 75% of the estimated cost of the improvements in this section. The agreement between the two agencies would include a provision that there would be no obligation for the Port Authority to participate in the future costs of maintenance and operations in the area of the improvements.

Staff is also planning to install permanent remote controlled advisory and directional signs on the Parkway to facilitate the nightly closing of the southbound connection from the Parkway to the toll plaza and to advise patrons of traffic conditions on the bridge. The plan includes new overhead signs to replace ground mounted signs that require directional arrows to be manually repositioned daily by facility personnel. Permission for the Port Authority to install the required signs would be included in the agreement.

The bridge toll plaza on the Parkway was built approximately twenty years ago as part of the project which added the lower level on the bridge. The plaza construction required an enlargement of the existing easement obtained from the Park Commission. Staff has determined that legislation passed in 1956 in connection with the authorization of the Lower Level Project permits the Port Authority, in its discretion, to provide approaches, connections, highway improvements and/or extensions by agreement with another public agency and further, that such agreement may provide for the construction, ownership, maintenance or operation of the extension, connections, approach or improvements by such other public agency.

It was therefore recommended that the Board authorize:

1. the Executive Director to enter into an agreement with the Palisades Interstate Park Commission providing for the payment of $192,750 to the Palisades Interstate Park Commission representing 75% of the estimated cost of roadway improvements on the southerly section of the Palisades Interstate Parkway which is utilized exclusively by George Washington Bridge traffic; and

2. a project to install permanent advisory and directional signs for the nightly closing of the George Washington Bridge toll plaza on the Palisades Interstate Parkway at an estimated total project cost of $450,000 which includes payments to contractors, an allowance for extra work, engineering, administrative and financial expenses.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and is hereby authorized to enter into an agreement with the Palisades Interstate Park Commission providing for the payment of $192,750 to the Palisades Interstate Park Commission representing 75% of the estimated cost of roadway improvements on the southerly section of the Palisades Interstate Parkway which is utilized exclusively by George Washington Bridge traffic; and it is further

RESOLVED, that the Executive Director be and is hereby authorized to initiate a project to install permanent advisory and directional signs for the nightly closing of the George Washington Bridge toll plaza on the Palisades Interstate Parkway at an estimated total project cost of $450,000 which includes payments to contractors, an allowance for extra work, engineering, administrative and financial expenses.

(Board - 11/8/84)

George Washington Bridge - Riverside Drive Arch Rehabilitation - Contract GWB-110.076 - Increase in Classified Work and Supplemental Agreement No. 1

It was reported that on August 31, 1983, the Board authorized the award of Contract GWB-110.076 to Ardsley Construction Co., Inc., the low bidder, at its bid price in the estimated total amount of $2,075,695, exclusive of an authorization of $208,000 for extra work. The contract provides for the rehabilitation of the Riverside Drive Arch at the George Washington Bridge.

As repair work progressed, soundings of the archway were made and a significantly greater than anticipated amount of deterioration was found to exist. After consultation with Edwards & Kelcey, a professional engineering firm retained under the Board's authorization of December 8, 1983, staff deemed it necessary to immediately proceed with the additional corrective action. This corrective action required that additional shotcrete repair work be performed under a classified work item of Contract GWB-110.076 resulting in an increase in classified work of approximately $330,000.

During performance of this work, staff identified extensive deterioration and delamination of concrete in an area adjacent to the construction site of Contract GWB-110.076; which area was deemed by staff to require immediate rehabilitation. The inspection also revealed that the column bearings in this area were also in an advanced state of deterioration and required immediate rehabilitation. In order to assure public safety and since Ardsley Construction was performing similar work in the vicinity under the Contract, GWB-110.076, staff deemed it prudent and in the best interest of the Port Authority that these additional repairs be immediately performed by that contractor. The Chief Engineer directed the contractor to proceed with this supplemental work which included shotcrete repair; placement of protective median barriers, scaffolding and other protective measures to insure public safety; and concrete bearing repairs.

Therefore, in order to provide payment for the additional classified work and for the repairs in the adjacent area, authorization is requested to increase the expenditures for classified work under Contract GWB-110.076 with Ardsley Construction Co., Inc. from the estimated total amount of $770,995 to an estimated total amount of $1,100,995, and to enter into Supplemental Agreement No. 1 to Contract GWB-110.076 in the estimated total amount of $316,648.

It was therefore recommended that the Board authorize:

1. an increase in the authorization for classified work under Contract GWB-110.076 with Ardsley Construction Co., Inc. from an estimated total amount of $770,995 to an estimated total amount of $1,100,995, an increase of $330,000; and

2. entering into Supplemental Agreement No. 1 to Contract GWB-110.076 to provide for concrete and column bearings repairs in an area adjacent to the construction site of Contract GWB-110.076, in the estimated total amount of $316,648.

(Board Calendar - 11/8/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorizes:

1. an increase in the expenditure for Classified Work under Contract GWB-110.076 with Ardsley Construction Company, Inc. from an estimated total amount of $770,995 to an estimated total amount of $1,100,955, an increase of $330,000; and

2. entering into Supplemental Agreement No. 1 to Contract GWB-110.076 to provide for concrete and column bearing repairs in an area adjacent to the construction site of Contract GWB-110.076, in the estimated total amount of $316,648; and it is further

RESOLVED, that the form of said Supplemental Agreement be subject to approval by General Counsel or his authorized representative.

Lincoln Tunnel - Exclusive Bus Lane Modifications - Agreement with New Jersey Turnpike Authority (NJTA)

It was reported that the Exclusive Bus Lane (XBL) is a 2½ mile contra-flow expressway lane operated in the eastbound direction along the normally westbound median lane of I-495 between the New Jersey Turnpike and the Lincoln Tunnel. Access to the XBL is gained through a roadway loop system called the "teardrop" located in an area under the jurisdiction of the New Jersey Turnpike Authority (NJTA) adjacent to Interchange No. 16E.

Recently, Port Authority staff concluded a study concerning XBL capacity. One of the findings of the study was that bus lane capacity could be increased by modifying and widening the entrance at the teardrop. Improvement of the "teardrop" entrance will assure that maximum capacity of the lane can be developed and maintained in the future. The NJTA agreed that the teardrop modifications would be of benefit and further agreed to perform the work since the site was within Turnpike jurisdiction. Under the terms of the proposed agreement, the NJTA will undertake the design and construction of the work and the Port Authority will reimburse the NJTA for its costs, presently estimated to total $360,000.

The XBL was opened in 1970 under the joint sponsorship of the State of New Jersey, the NJTA and the Port Authority. It is the first contra-flow exclusive bus lane ever implemented on a major highway and the most heavily utilized bus lane of its type in the world.

The Port Authority has assumed operating responsibility for the XBL since Bus Terminal commuters are the primary beneficiaries. It is operated each weekday from approximately 7:00 A.M.-9:30 A.M. and carries some 1,300 buses with about 50,000 commuters between New Jersey and New York. An average of 20 minutes in travel time is saved by buses using the lane. In addition, the lane serves to reduce the waiting lines for all other vehicles in the eastbound lanes of I-495 traveling to the Lincoln Tunnel by an estimated 40%.

One of the most important links in the trans-Hudson Network, the XBL serves over one-quarter of all peak period trans-Hudson passenger flow to the Manhattan Central Business District. Traffic in the lane has been increasing recently and current travel forecasts expect these increases to continue.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with the New Jersey Turnpike Authority (NJTA) under which the Turnpike Authority would modify and widen the entrances to the Exclusive Bus Lane (XBL) and the Port Authority would reimburse the Turnpike Authority for design, construction and administrative costs presently estimated at $360,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorizes the Executive Director to enter into an agreement with the New Jersey Turnpike Authority under which the Turnpike Authority would modify and widen the entrances to the Exclusive Bus Lane (XBL) and the Port Authority would reimburse the Turnpike Authority for design, construction and administrative costs presently estimated at $360,000; and it is further

RESOLVED, that the form of said agreement be subject to approval by General Counsel or his authorized representative.

Kennedy International Airport - Hangar 5 and Related Outside Areas - Surrender of Lease by Trans Mediterranean Airways S.A.L.; Reimbursement by the Port Authority of TMA's Investment in the Leased Premises and New Ten-Year Lease Agreement with Air Express International Corporation for the Premises

It was reported that Hangar 5 is part of the complex of Hangars 3, 4 and 5 that were constructed by the Port Authority in 1950 and which have been rented to various airline tenants on a multi-occupancy basis since their completion, with the Port Authority retaining responsibility for various common items such as insurance, structural integrity and operation of the centralized heating plant. At its meeting on February 13, 1975, the Board authorized a lease with Trans Mediterranean Airways (TMA) for space in Hangar 5 and related outside areas, for a 15-year term due to expire on April 30, 1990. Under the terms of that lease, TMA was required to convert the hangar into a cargo facility at an estimated cost of $1 million. During the first ten years of the lease, TMA has invested between $2 million and $3 million in the premises including the installation of an automated cargo handling system. At the present time, the value of TMA's reported investment is estimated at between $1 million and $1.4 million.

At its meeting on August 31, 1983, the Board authorized the Executive Director to accept a surrender of TMA's lease. That authorization did not contain any requirement that a replacement tenant be available for the facility and did not include any provision to reimburse TMA for any investment remaining in the facility. Over the past twelve months, extensive negotiations have been undertaken with TMA to effectuate the surrender of TMA's lease in accordance with that Board authorization. During the course of these negotiations, it became apparent that it was TMA's business judgment that it could not afford to surrender the premises to the Port Authority without some provision to recover its investment in the building.

TMA was advised that the Aviation Department was not authorized to enter into any agreement that would provide reimbursement to TMA for its investment and that a recommendation for the Port Authority to consider such a course of action could only be considered if provisions existed to recover that reimbursement from a replacement tenant acceptable to the Port Authority. Based on this understanding, discussions have been held over the past year with several potential replacement tenants in an effort to reach an agreement that would be acceptable to the Port Authority, the replacement tenant and TMA. The Port Authority can now report that negotiations have been substantially completed with TMA and Air Express International Corporation (AEI) for a surrender of TMA's lease and a new ten-year lease agreement with AEI for the Hangar 5 facility.

As part of this agreement, the Port Authority would pay to TMA $600,000 to reimburse TMA for its investment in the facility and AEI would enter into a new lease agreement with the Port Authority for a ten-year term at rental rates during the first five years of the lease significantly higher than what would have been realized from TMA over the balance of its lease, which does not expire until April 30, 1990.

In addition to annual rental payments of approximately $584,928 per year during the first five years of the lease and $725,268 during the second five years of the lease, AEI will pay to the Port Authority throughout the ten-year term additional facility rental of approximately $112,792 per year to amortize the sum paid by the Port Authority to TMA for TMA's investment. This additional facility rental provides for a recovery of the $600,000 paid to TMA over the term of the lease at an interest rate of 13½% per year. Under the terms of the proposed lease, the Port Authority will reimburse AEI a sum not to exceed $400,000 to be used to modify, modernize and upgrade the premises including construction of additional truck docks, installation of additional truck dock doors and the upgrading of approximately 13,557 square feet of office area located on the second floor of the lean-to adjacent to the cargo area. Commencing not later than the end of second year of the lease, AEI will pay to the Port Authority extra facility rental to amortize the sum invested for this work over the remaining term of the lease at an interest rate of 13½% per year. The annual rental payments cited above are based on:

Approximate Annual Rentals
Hangar 5 and Related Outside Areas
(Exclusive of Facility Rental and Extra Facility Rental)

	Eff. 1/1/85 - 12/31/89		Eff. 1/1/90 - 12/31/94	
	Annual Sq. Ft. Rate	Yearly Rental	Annual Sq. Ft. Rate	Yearly Rental
Hangar No. 5 - Cargo Area (Approx. 66,515 sq. ft.)	$5.00	$332,580	$6.25	$415,720
Lean-to Areas (Floors 1 & 2) (Approx. 26,912 sq. ft.)	$5.00	$134,556	$6.25	$168,200
Truck Circulation Area (Approx. 133,381 sq. ft.)	$ .50*	$ 66,696	$ .60**	$ 80,033
Aircraft Apron (Approx. 102,192 sq. ft.)	$ .50*	$ 51,096	$ .60**	$ 61,315
Total Building & Land Rental		$584,928***		$725,268

*Approximately $21,780 per acre per year
**Approximately $26,136 per acre per year
***Annual rental during the first year may not be paid in equal monthly installments.

(Board - 11/8/84)

A portion of the equipment and improvements to the premises for which TMA is to be paid includes a cargo handling system which was installed by TMA at a reported cost of approximately $1.4 million. The lease agreement with AEI would provide that in the event the cargo handling system is sold by the Port Authority during the term of the lease (subject to the concurrence of AEI), the proceeds from such a sale will be applied to reduce the outstanding principal of the amount paid to TMA by the Port Authority, and the additional facility rental to be paid by AEI over the remainder of the lease term will be adjusted accordingly. It is expected that AEI will be making efforts to secure a purchase, for this system and, if successful, will request the Port Authority to effectuate the sale.

The Port Authority will provide electricity and cold water to AEI on a metered basis and AEI will reimburse the Port Authority its prorated share of operating the boiler room serving the Hangar 3, 4 and 5 complex. The Port Authority will continue to retain responsibility for common items such as insurance, structural integrity and roof repairs.

The Port Authority's acceptance of the surrender by TMA would be contingent upon execution of a lease agreement with AEI, subject to the terms outlined herein.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into agreements with Trans Mediterranean Airways, S.A.L., Air Express International Corporation at Kennedy International Airport and the purchaser, if any, of the Hangar 5 cargo handling system, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized for and on behalf of the Port Authority:

1. enter into an agreement with Trans Mediterranean Airways (TMA) Societe Anonyme Libanaise (S.A.L.) providing for the surrender of TMA's lease for Hangar 5 and related outside areas at Kennedy International Airport effective on or about December 31, 1984, and to pay to TMA a sum of $600,000 for its investment in improvements and equipment at the leased premises;

2. enter into a ten-year lease agreement, effective on or about January 1, 1985, with Air Express International Corporation (AEI) for the same premises at an annual rental of approximately $584,928 during the first five years of the lease and $725,268 during the second five years of the lease, plus facility rental of $112,792 per year throughout the lease term to amortize the payment made to TMA for its investment, including interest of 13½% per year, the agreement with AEI to include a provision to adjust the facility rental to be paid to the Port Authority in the event that the cargo handling system, which constitutes a portion of the investment, can be sold; the lease agreement to further provide for the Port Authority to reimburse AEI a sum not to exceed $400,000, to be used by AEI to upgrade and modernize

the premises with the sum invested to be amortized by the payment of extra facility rental over the remaining term of lease, commencing by not later than the end of the second year of the lease, in equal monthly installments including interest of 13½% per year; and

3. during the term of the AEI lease, in his sole discretion and with the concurrence of AEI to enter into an agreement for the sale of the cargo handling system installed in Hangar 5 on such terms and conditions as he shall deem appropriate; and it is further

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

(Board - 11/8/84)

Freight Services Improvement Conference: Renewal of Port Authority Participation - Agreement with the States of New York and New Jersey

It was reported that the Board, at its meeting on March 12, 1981, authorized the Executive Director to enter into an agreement with New York and New Jersey for the Port Authority to participate in the Freight Services Improvement Conference (FSIC) and to provide funding for the Port Authority's share of the joint effort.

It was reported by the Board that freight systems is a $2 billion industry which generates some 150,000 jobs but had not previously received sufficient public attention or funding. In an attempt to remedy this, a public/private organization – the FSIC – was established as a problem-identifying, coordinating and advocacy mechanism which, based upon its research and planning activities, makes recommendations for regional freight transportation improvements. The FSIC is jointly funded and staffed by its three sponsoring agencies and guided by an advisory board composed of prominent individuals drawn primarily from the private freight sector. Overall direction is provided by a steering committee comprised of the Commissioner of Transportation from each State and the Executive Director of the Port Authority.

Since its inception, the FSIC has become an effective liaison through which private-sector freight carriers and shippers have been brought together with public-sector transportation agencies to address critical freight issues facing the region. The FSIC has contributed towards solutions to the problems of inadequate mid-Manhattan street access for vital commercial activities; the region's complex system of truck taxes and user fees; regional responses to Federally mandated changes in truck sizes and weights; business/government liaison in preparation for the sale of ConRail; regional trucking congestion; and numerous other areas including hazardous materials transportation, access to ports and freight capital programming. The FSIC will also manage the Trans-Brooklyn Freight Movement Study authorized by the Board, at its meeting on October 11, 1984, at a cost to the Port Authority of $150,000.

The initial March 12, 1981 Board authorization was renewed by the Board on October 13, 1983 to cover Port Authority participation in the FSIC through June 30, 1984. Under the terms of each of the prior authorizations, and as planned in the current proposed agreement, the Port Authority would contribute three full-time staff members to the FSIC and provide office space and other administrative support items. Financial support for the FSIC for the period ending June 30, 1985 will be approximately matched by the contributions of the States of New York and New Jersey.

It was therefore recommended that the Board authorize the Executive Director to enter into the agreements as outlined above.

(Board - 11/8/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into agreements with the States of New York and New Jersey, or their designees, under which the Port Authority will renew its participation in the Freight Services Improvement Conference (FSIC), a public/private sector research, planning and advocacy organization, for improved freight systems in the New York/New Jersey region, for the period July 1, 1984 to June 30, 1985, at a total estimated cost of $471,000, which includes $150,000 previously authorized by the Board for the Trans-Brooklyn Freight Movement Study; said agreements to be subject to approval as to form by General Counsel or his designated representative.

(Board - 11/8/84)

Work Uniform Services - Port Authority Facilities - Contract PSS-1-84

It was reported that the Board, at its meeting on May 10, 1979, authorized the Executive Director to award Contract PSS-1-79 for three years with one two-year option to Uniform Rental, Inc. The option was exercised and the current contract expires on December 31, 1984.

The contract requires laundering, dry cleaning, assembling, sorting, picking up and delivering employee work and dress uniforms for approximately 5,800 employees in supervisory and union covered employee classes. Expressions of contractor interest were solicited by advertisement in the March 1984 issue of Dry Cleaners News and proposals were solicited from 32 contractors.

On September 27, 1984, the following proposals were received:

Name of Vendor	Total Estimated Cost (Two Years)
Sketchley Services, Inc. Mt. Laurel, New Jersey	$858,064
Rent-All Uniforms Co., Inc. Belleville, New Jersey	$915,105
Uniform Rental, Inc. Brooklyn, New York	$939,547

Although price was the single most important criterion, proposals provided for evaluative criteria other than price such as equipment, staffing, plant and structure. Based on staffs review, Sketchley, the low bidder, was considered to offer the best overall proposal.

This contract contains options to renew the contract on the same terms and conditions for three one-year periods, subject to escalation based on a specified Consumer Price Index. If staff deems it advisable to exercise these options, prior authorization will be sought from the Board or appropriate Committee thereof.

Sketchley Services, Inc., has not previously done work for the Port Authority. However, staff has reviewed their facilities and references and is satisfied they can comply with the terms and conditions of Contract PSS-1-84.

(Board - 11/8/84)

It was therefore recommended that the Board authorize the Executive Director to award a two-year contract to provide work uniform services to Sketchley Services, Inc., effective January 1, 1985, in the total estimated amount of $858,064, and to order extra work up to the amount of $128,710.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to award a two-year contract to provide work uniform services to Sketchley Services, Inc., effective January 1, 1985, in the total estimated amount of $858,064, and to order extra work up to the amount of $128,710; and it is further

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

(Board - 11/8/84)

1984 Howard S. Cullman Fellowship

It was reported that the Howard S. Cullman Fellowship was established by the Board in April 1962 as a tribute to the Honorary Chairman for his contributions to the Port Authority. The purpose of this Fellowship is to afford a staff member or members the opportunity to undertake a unique project which benefits the Port Authority and contributes to the organization's public service responsibilities to the people of the Port District.

This year the Cullman Fellowship Review Committee was comprised of the 19 members of The Advisory Group, representing a cross-section of Port Authority staff members at the junior and middle management levels. After careful consideration of all submitted proposals, The Advisory Group recommends that the 1984 Fellowship be awarded to Peter J. Eckel to promote the use of state-of-the-art video technology within the Port Authority.

The use of new video technologies has become a vital institutional communications tool within many organizations. Several innovative uses of video technology can be found within both large and small corporations. These uses include the in-house production of annual reports; orientation and training of staff and problem analysis. Award of this year's Cullman Fellowship to Mr. Eckel would bring this innovative technology to the Port Authority. The fellowship will facilitate the teaching of proper planning for and basic techniques of video production to potential users within the Port Authority.

Mr. Eckel proposes to visit major regional corporations that are recognized leaders in the field of in-house corporate video productions and analyze their libraries of video tapes specifically designed to teach the fundamentals of video. Upon completion of his research, Mr. Eckel will assemble a self-help library of video cassettes and textbooks which can serve as training tools for the production of high quality video tapes.

Mr. Eckel has indicated that six months would be sufficient to accomplish the objectives of this project. In addition to his salary during this period, it is anticipated that an additional $21,000 will be incurred for incidental expenses, including travel, lodging, clerical support, report preparation, duplicating expenses and acquisition of video cassettes and associated reference materials.

(Board - 11/8/84)

Recommendation was made that the Board authorize the award of the Howard S. Cullman Fellowship to Peter J. Eckel.

Approved.

Whereupon, the meeting was adjourned.

Secretary

THE PORT AUTHORITY OF NEW

MINUTES
Thursday, December 13, 1984

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MINUTES of meeting of The Port Authority of New York and New Jersey held Thursday, December 13, 1984 at the Port Authority offices, One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY	NEW YORK
Alan Sagner, Chairman	Lewis L. Glucksman
Jerry Fitzgerald English	John G. McGoldrick
Philip D. Kaltenbacher	Howard Schulman
William K. Hutchison	
Henry F. Henderson, Jr.	

Peter C. Goldmark, Jr., Executive Director
Patrick J. Falvey, General Counsel/Assistant Executive Director
Doris E. Landre, Secretary
Robert J. Aaronson, Director of Aviation
Robert F. Bennett, Assistant Executive Director/Chief Financial Officer
Gwendolyn K. Crider, Administrative Assistant
Sidney Frigand, Assistant Executive Director/Director of Public Affairs
Louis J. Gambaccini, Assistant Executive Director/Director of Administration
Gene Gill, Acting Director of Management Services and General Services
Francis A. Gorman, Director of Rail Transportation
Philip LaRocco, Director of Economic Development
Donald R. Lee, Director of Audit
Lillian C. Liburdi, Director of Management and Budget
Katharine B. MacKay, Assistant Executive Director/Director of State Relations
Mark Marchese, Assistant Director, Information Services, Public Affairs
John B. McAvey, Assistant Chief Financial Officer
Rino M. Monti, Director of Engineering/Chief Engineer
Edward J. O'Malley, Director of Personnel
Leonard J. Riley, Director of Management Information Services
Martin E. Robins, Director of Planning and Development
Morris Sloane, Deputy Director of Aviation
Robert Steiner, Deputy Port Director
Victor T. Strom, Director of Public Safety
Guy F. Tozzoli, Director of World Trade
Joseph L. Vanacore, Director of Tunnels, Bridges and Terminals
Barry Weintrob, Director, Finance Department/Comptroller
Marshal L. Wilcox, Jr., Treasurer
Thomas C. Young, Jr., Principal Information Officer, Public Affairs

The meeting was called to order by the Chairman.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of November 8, 1984. She reported that copies of these Minutes were sent to all the Commissioners and to the Governors of New York and New Jersey and that the time for action by the Governors of New York and New Jersey had expired.

Whereupon, the Board unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction submitted a report, for information, of action taken at its meeting on December 13, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Finance

The Committee on Finance submitted a report, for information, of action taken at its meeting on December 13, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations submitted a report, for information, of action taken at its meeting on December 13, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Port Planning

The Committee on Port Planning submitted a report, for information, of action taken at its meeting on December 13, 1984, in addition to the matters separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

(Board - 12/13/84)

1985 Budget - January 1 through January 31, 1985

In connection with the items constituting the proposed 1985 Budget being considered by the Board, it was reported that preliminary budget materials have been sent to the Governors' staffs for review. Neither of the States have completed that review.

Review of any recommendations made by the States for possible revisions to the proposed 1985 Budget might result in the 1985 Budget not being ready for adoption before the January 10, 1985 meeting of the Board. In that event, it is appropriate to confirm the authority of the Executive Director to continue to make payments for expenses and to undertake contractual commitments in accordance with the By-Laws, for continuing operations and professional services, all as contemplated in the proposed 1985 Budget presented to the Board on December 6, 1984. It is expected that such payments will not exceed $150 million through January 31, 1985.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

> RESOLVED, that it is hereby confirmed that the Executive Director is authorized through January 31, 1985 to make expenditures, in an amount not to exceed $150 million including but not limited to personnel, materials and services, equipment, supplies, utilities, cleaning services and insurance, and to undertake contractual commitments, in accordance with the By-Laws, all as contemplated in the proposed 1985 Budget for The Port Authority of New York and New Jersey (including Port Authority Trans-Hudson Corporation) presented to the Board on December 6, 1984.

(Board - 12/13/84)

Newark International Airport - Additional Aircraft Parking/Remote Hardstand Area South of Taxiway "Y" - Project Authorization and Contract Award

It was reported that the continued unusual growth of air traffic at Newark International Airport, accompanied by the anticipated growth in additional B-747 aircraft that will be based there beginning in 1985, makes it necessary to provide for additional aircraft parking area and remote aircraft hardstand positions for the B-747 size aircraft.

Currently, it is necessary to use portions of existing taxiways to accommodate B-747 aircraft parking on a temporary basis. However, this is disruptive to airline operations and insufficient to accommodate future demand. The only other area that could be developed for this function is in the south area of the airport and that area is being reserved until the completion of an internal Port Authority study, currently underway, which will provide recommendations for the optimum use of the remaining land available on the airport.

Accordingly, staff recommends an eight-acre site immediately south of Taxiway "Y" and near the Facility Administration Building be developed for use both for B-747 parking and as remote hardstand positions for supplemental loading/unloading of B-747 size aircraft. This area should be operational by late Summer, 1985.

Contract NIA-140.058, which is the only contract to be awarded in connection with the project, provides for the construction of paving, drainage, lighting and other related work at Newark International Airport south of Taxiway "Y" for additional aircraft parking and remote aircraft hardstand positions for the B-747 size aircraft. The contract will be publicly advertised and bids are presently scheduled to be received in June 1985.

It was therefore recommended that the Board authorize:

1. a project at Newark International Airport for construction of an additional aircraft parking/remote hardstand area south of Taxiway "Y", at an expenditure presently being estimated at $6.6 million; including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses; and

2. the Executive Director, in his discretion, either to award Contract NIA-140.058, Additional Aircraft Parking South of Taixway "Y" to the lowest qualified bidder, who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable and to order extra work up to the amount of $500,000, or to reject all bids.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that a project for construction of an additional aircraft parking/remote hardstand area south of Taxiway "Y" at Newark International Airport, at an expenditure presently being estimated at $6.6 million, including payments to contractors, an allowance for extra work and engineering, administrative and financing expenses, is authorized; and it is further

(Board - 12/13/84)

RESOLVED, that the Executive Director is authorized, in his discretion, either to award Contract NIA-140.058, Newark International Airport, Additional Aircraft Parking South of Taxiway "Y" to the lowest bidder, who, in his opinion, is qualified by reason of responsibility, experience and capacity to perform the contract and whose bid price the Executive Director deems reasonable and to order extra work up to the amount of $500,000, or to reject all bids.

(Board - 12/13/84)

Kennedy International/Newark International Airports - Foreign Trade Zone Program - Retention of Finley, McDermott & Co.

It was reported that the Port Authority is expanding the services of its facilities to foster regional economic growth and offer more services to tenants. To accomplish this goal, the Aviation Department has applied for Foreign Trade Zone status for the entire cargo areas at Kennedy International Airport and will apply for Zone designation for the cargo area at Newark International Airport.

In order to assure that the potential benefits to the region are fully realized from a successful introduction of an Air Cargo-oriented Foreign Trade Zone program properly coordinated with the Port Department's program, it is necessary to supplement staff with professional services of an outside firm that is qualified to help market and promote this unique combination of Air/Sea Foreign Trade Zone facilities to potential users.

Requests for Proposal were sent to twelve pre-qualified firms throughout the United States. These included firms suggested by the Port Department and the Aviation Department. The following proposals were received on October 26, 1984:

Firm	Estimated Cost
The Fantus Company Milburn, New Jersey	$ 117,147
Finley, McDermott & Co. New York, New York	120,000 & Expenses
Free Zone Authority Services, Inc. Washington, D.C.	191,700
Turnbull & Associates, Inc. Winter Park, Florida	273,000
Arthur D. Little & Rudder Finn & Rotman Cambridge, Massachusetts and New York, New York	1,187,000

Six firms chose not to submit proposals and one firm said that it would be interested in doing those portions of the work they were best qualified to perform. The proposals were reviewed by Aviation and Port Department staff and Finley, McDermott & Co., whose proposal best met the pre-determined criteria, was chosen. The criteria for evaluating proposals included: quality of proposal and ability to perform tasks set forth in the Request for Proposal, previous work experience in foreign trade zone marketing and promotion, quality of staff, project costs and ability to meet MBE/WBE requirements.

(Board - 12/13/84)

Finley, McDermott & Co., located in New York, New York, has been approved as a Women's Business Enterprise (WBE) by the Office of Minority Business Development and is a highly qualified firm with foreign trade zone marketing and promotion strategy development experience. The company conducted the Marketing and Feasibility Studies for the establishment of Foreign Trade Zones at both Kennedy International and Newark International Airports.

It is, therefore, recommended that the Board authorize the Executive Director to enter into an agreement with Finley, McDermott & Co.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into an agreement with Finley, McDermott & Co. to develop marketing and promotion program strategies and assist in the implementation of these programs for the Port Authority's Foreign Trade Zones at Kennedy and Newark International Airports at a cost not to exceed $150,000.

(Board - 12/13/84)

Kennedy International Airport - International Arrivals and Airline Wing Buildings - Operation and Maintenance of Loading Bridges and Mobile Lounges and Crew Bus Services - Award of Contract

It was reported that the loading bridges and mobile lounges at the International Arrivals and Airline Wing Building at Kennedy International Airport have been operated and maintained by Servair Maintenance, Inc. since 1979 and the existing contract is due to expire on January 31, 1985. All agreements for the operation and maintenance of the loading bridges and the mobile lounges and the crew bus services are reviewed with the Wing Building Lessees. The Aviation Department recommended, with Wing Building Lessees concurrence, that the new contract, which will commence February 1, 1985, be awarded after public solicitation of proposals. Accordingly, a request for prequalification information was publicly advertised, and six contractors were found qualified to submit proposals after receipt and analysis of that information.

Proposals were then solicited on Contract JFK-458 for the performance of maintenance and operation of passenger loading bridges, mobile lounges and the provision of crew bus service at Kennedy International Airport, which provides for compensation based upon:

1. unit prices for routine maintenance;
2. fixed prices per hour for hours of operation, non-routine maintenance and mobile lounges cleaning; and
3. a fixed annual fee.

Under the contract, which also contains a separate provision for payment for materials purchased by the contractor, the Port Authority reserves the right to adjust operating and maintenance hours and has the right to terminate on thirty days' written notice. The contract also provides for two one-year extensions to be agreed to by the parties upon the same terms and conditions, but with compensation for each additional year to be increased based on actual increases in costs of labor and materials. All adjustments in compensation pursuant to such escalation provision will be subject to Port Authority audit.

The following bids were received on November 9, 1984:

Company	Total Estimated Contract Price for Three Years
Servair Maintenance, Inc. McLean, Virginia	$6,292,349
Allied Aviation Service Int'l, Inc. New York, New York	6,747,932
Butler Aviation, Inc. Montvale, New Jersey	7,842,944

Triangle Aviation Services, Inc. Valley Stream, New York	8,179,056
Hudson General Corporation Great Neck, New York	9,705,510

The contract documents stated that proposals would be evaluated on the basis of price, the contractor's experience, the quality of its staff, and whether the contractor's equipment and resources exceed the minimum requirements set forth in the contract.

Upon analysis of the bids received, the Director of Aviation, with the concurrence of the Director of General Services, and the approval of the Wing Building leases, determined that Servair Maintenance, Inc. is the best qualified to perform the contract and that its bid price is reasonable.

All costs incurred under the contract are recoverable from the airlines using the IAB/ Wing Building complex.

It was therefore recommended that the Board authorize:

1. the Executive Director to award Contract JFK-468, Kennedy International Airport, International Arrivals Building, Agreement to Perform Maintenance and Operation of Passenger Loading Bridges, Mobile Lounges and Crew Buses, to Servair Maintenance, Inc. in the total estimated amount of $6,292,349 for an initial term of three years, and to order extra services and material up to the amount of $629,235 during such three-year term; and

2. the Executive Director, in his discretion, to agree with the contractor to extend the term of the contract for up to two one-year periods upon the same terms and conditions, subject, however, to an increase in compensation payable thereunder in accordance with escalation provisions contained therein, and to order extra services and materials up to 10% of the total estimated contract price for each additional year the contract is extended.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to award Contract JFK-468, Kennedy International Airport, International Arrivals Building, Agreement to Perform Maintenance and Operation of Passenger Loading Bridges, Mobile Lounges and Crew Buses, to Servair Maintenance, Inc. in the total estimated amount of $6,292,349 for an initial term of three years and to order extra services and materials up to the amount of $629,235 during such three-year term; and it is further

RESOLVED, that the Executive Director is authorized, in his discretion, to agree with the contractor to extend the term of the contract for up to two one-year periods upon the same terms and conditions, subject, however, to an increase in compensation payable in accordance with escalation provisions contained therein, and to order extra services and materials up to 10% of the total estimated contract price for each additional year the contract is extended.

(Board - 12/13/84)

Kennedy International Airport - New York City Transit Authority - Amended New Lease for New JFK Express Facility

It was reported that the Board, at its meeting on December 8, 1983, authorized the Executive Director to enter into a ten-year lease with the New York City Transit Authority for an approximately one-half acre site at Kennedy International Airport on which the Transit Authority was to construct, at an estimated cost of approximately $1,540,000, a new building to be used for its JFK Express Service (a combined train-bus service known as the "Train to the Plane"). The annual ground rental for the initial ten-year term was to be a nominal $1 with the Transit Authority to be granted an option to renew the lease for an additional ten years subject to agreement on rentals. Under the terms of the lease, the Port Authority was to be obligated to reimburse the Transit Authority for its unamortized investment if the Port Authority decided to terminate without cause, or refused to renew the permit under which the Transit Authority operates the JFK Express Service; the unamortized investment to be calculated on the basis of a straight-line depreciation over the balance of the ten-year lease term after the completion of construction or August 1, 1985 whichever occurs first. The Transit Authority was to have complete responsibility for the operation, maintenance and insuring of the premises as well as all utility and service costs. The lease was also to provide that the Port Authority could impose the usual gross receipt fee charged to ground transportation operators, which had been waived as to the Transit Authority, upon any annual renewal of the JFK Express permit without incurring any reimbursement obligation for the unamortized investment in the event this was rejected by the Transit Authority.

The proposed lease was transmitted to the Metropolitan Transportation Authority, (who is providing the funding for this project). However, due to top level staff changes within the MTA and Transit Authority, the project was temporarily delayed. The project has been reactivated and, under a new and separate arrangement authorized by the Board, at its meeting on September 13, 1984, the Port Authority will also now agree to provide contract management services for the construction of the facility due to management manpower problems in the Transit Authority. All of these agreements have been negotiated based on the Port Authority's belief that the construction of this facility will enhance mass transit service to Kennedy International Airport.

Due to the fact that the JFK Express Service has been operating at a deficit for its entire six-year history and the Transit Authority is concerned over possible future unknown costs, further negotiations between the parties have ensued which will result in certain changes in the previously proposed lease agreement. As changed, the agreement would provide that in the event of any failure by the Transit Authority to observe any of its obligations as lessee under the lease, the Port Authority would have the options either to fulfill the obligation itself, if the obligation were such as to make this possible, terminate the agreement of lease, or permit the lease to continue without compliance with such item. In addition, the Port Authority would now be obligated to reimburse the Transit Authority for any sums expended by it for construction prior to the completion of construction, or July 1, 1986, whichever occurs first, and for the five-year period immediately following to reimburse the Transit Authority for its unamortized investment

in the construction of the new facility if during such period: (1) the Port Authority terminates the lease for any reason (including termination for cause except the failure of the Transit Authority to perform cleaning and snow removal or indemnify the Port Authority or to rebuild in the event of destruction of the premises); or (2) the Transit Authority is required to discontinue the use of the premises for reasons beyond its control or (3) the JFK express permit is revoked, terminated or not extended for any reason except if the failure to extend the permit is based upon the Transit Authority's refusal to accept an extension on existing terms and conditions. The Transit Authority's unamortized investment would be calculated on a straight line twenty-year basis from the commencement of the lease term and would be limited to $1,540,000. After the initial reimbursement period of not more than six and one-half years if the Port Authority terminated the lease for any reason there would be no obligation to reimburse the Transit Authority. If the Transit Authority terminates the lease or the JFK Express permit at any time, there would be no reimbursement obligation on the part of the Port Authority. In the event of destruction of the premises by casualty, the only obligation of the Transit Authority would be to clear the site.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement with the New York City Transit Authority at Kennedy International Airport, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board's resolution of December 8, 1983 authorizing the Executive Director to enter into a lease with the New York City Transit Authority covering the construction of a new JFK Express Terminal Facility at Kennedy International Airport be amended in accordance with the foregoing.

(Board - 12/13/84)

Industrial Development Program - Yonkers Industrial Park - Lease Agreement with Nissho Iwai American Corporation

It was reported that the Board, at its meeting on November 8, 1984, amended the Master Plan setting forth potential urban industrial park sites to include the Otis Elevator Plant site in the City of Yonkers, New York, and authorized an industrial development project at this site. Further, the Board certified, subject to reaffirmation, the Yonkers Industrial Park as an additional facility of the Port Authority; authorized the Committee on Operations to take action with respect to agreements with the City of Yonkers for the acquisition and development of the site and authorized the Executive Director, subject to approval of the Committee on Operations, to purchase the parcels of property and appurtenances thereto described in the amendment to the Master Plan. It is expected that the Committee on Finance, at its meeting on December 13, 1984, will reaffirm the certification of the Yonkers Industrial Park in conjunction with the issuance and sale of Consolidated Notes, Series JJ.

Staff has reached substantial agreement with officials of the City of Yonkers with respect to the Municipal Agreement. Discussions with representatives of United Technologies, Inc., the parent company of Otis Elevator Company, the current owner of the property, are underway and staff is currently reviewing the proposed sales agreement of the aforementioned property.

Staff has substantially completed negotiations with Nissho Iwai American Corporation (NIAC), an international general trading company whose parent company is Nissho Iwai Corporation, headquartered in Japan, for the letting of Building No. 9 and adjacent truck dock and outside areas at the Yonkers Industrial Park. The purchase of the Otis Elevator Plant site is a condition precedent to the letting. NIAC employs nearly 500 people in offices located in fifteen cities throughout the United States. Their total 1984 sales in the United States exceeded $8 billion. The parent company is the number eight company (ranked by revenues) for all non-United States companies listed by **Forbes** in their July 2, 1984 issue.

NIAC, together with Kawasaki Heavy Industries, Ltd., (KHI), have been selected by the Port Authority Trans-Hudson Corporation (PATH) as the selected vendor to manufacture 95 rapid transit cars and rehabilitate the 248 existing cars in the PATH fleet. The award of the purchase contract by PATH is predicated on NIAC's representation that the major portion of such work will be done in the Port District.

The lease agreement with NIAC will provide that:

1. the Port Authority would lease to NIAC Building No. 9, in its entirety, the adjacent truck dock and outside areas at the Yonkers Industrial Park for a term of approximately ten years beginning on or about January 1, 1986;

2. the Port Authority would install rail access tracks to the building, rail storage tracks, and a test track in a manner and amount to be determined;

3. the annual rental rates for the approximately 150,000 square feet of space in Building No. 9 are as follows: for years 1986 through 1987, $5.00 per square foot; for years 1988 through 1990, $5.50 per square foot; for years 1991 through 1993, $6.05 per square foot and for years 1994 through 1995, $6.66 per square foot; and

4. NIAC would pay a pro-rata share of payments in-lieu-of-taxes and common area operating and maintenance costs.

It was therefore recommended that the Executive Director be authorized for and on behalf of the Port Authority to enter into an agreement of lease with Nissho Iwai American Corporation at the Yonkers Industrial Park, all in accordance with the foregoing.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board authorize the Executive Director to enter into an agreement with Nissho Iwai American Corporation covering the letting of Building No. 9 and adjacent truck dock and outside areas at the Yonkers Industrial Park in accordance with the foregoing; and it is further

RESOLVED, that the form of agreement be subject to the approval of General Counsel or his designated representative.

(Board - 12/13/84)

New York City Passenger Ship Terminal - Security Contract

It was reported that the three-year agreement is to provide security personnel to cover certain designated areas at the Passenger Ship Terminal. The wage rate is based on a weighted hourly rate and is subject to escalation on January 1, 1985 coincident with the expiration of the present New York Shipping Association-Port Watchmen's Union labor agreement. Personnel provided under this agreement will include watchmen, roundsmen, gatemen and supervisors. The extra work allowance covers additional security needed for special events.

Under the terms of the agreement, the Port Authority has the option to extend the contract for one additional two-year period upon the same terms and conditions.

The security contract was to expire on October 31, 1984 and proposals were solicited from a list of qualified contractors. Bids were received on August 28, 1984 and Professional Security was determined to be the low bidder and the contractor was so notified. However, on October 5, 1984, Professional informed the Port Authority that the New York Shipping Association increased its hourly assessment charges by $.90, effective October 1, 1984, and they were unwilling to absorb the additional cost into their bid price.

It was determined by the General Services and Law Departments that according to the terms of the contract, the Port Authority was not able to pay this increase under the escalation terms of the contract. None of the contractors who submitted bids for this contract were aware of the assessment increase and had not included it in their bid. Professional Security requested to be let out of the contract because of an error of fact and the Law and General Services Departments agreed that this request could be honored. Because the New York Shipping Association action was unanticipated by all bidders and therefore not taken into account, it was determined, with the concurrence of the Law Department, that all bids should be rejected and new bids solicited based on the new New York Shipping Association assessment levels now in effect.

New proposals were solicited from a list of qualified contractors and on November 14, 1984, the following bids were received:

McRoberts Protective Agency, Inc. New York, New York	$2,409,114
John C. Mandell New York, New York	2,448,924
Landsdell Protective New York, New York	2,527,974
Professional Security Nutley, New Jersey	2,642,260
DPS Protective New York, New York	3,074,072

Lance Investigation Bronx, New York	3,213,837
Mills Patrol Svc. New York, New York	3,406,772
Ear Private Invest. New York, New York	4,429,100

It was recommended that the Board authorize the award of the contract to McRoberts Protective Agency, Inc. and further authorize the Executive Director to exercise, in his discretion, the option to renew the contract on the same terms and conditions for a two-year period.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to award a three-year contract to provide security services at the New York City Passenger Ship Terminal, effective February 1, 1985, to McRoberts Protective Agency, Inc. at its bid price of $2,409,114, and to order extra work in the amount of $241,100; and it is further

RESOLVED, that the Executive Director be authorized to exercise, in his discretion, the option to renew the contract on the same terms and conditions for a two-year period.

(Board - 12/13/84)

Agreement with New York City Department of Ports and Terminals - "New York Harbor Collection and Removal of Drift Project"

It was reported that the Water Resources Act of 1974 authorized the Corps of Engineers to undertake the "New York Harbor Collection and Removal of Drift Project," a project aimed at the removal of some 2,200 sunken hulks and 100 rundown piers and the repair of another 160 shoreline structures in the Port of New York and New Jersey. The Port Authority has been a strong advocate of this project since it was first authorized by Congress as a Corps feasibility study in 1963. It is recalled that the Board, in August of 1982, authorized the Executive Director to make agreements with appropriate governmental agencies granting such agencies temporary entry rights on Port Authority waterfront property for the purpose of performing removal work relating to this project.

The agency of local cooperation for the New York reaches in this project is the New York State Department of Environmental Conservation (DEC) which has in turn delegated to the City of New York Department of Ports and Terminals the responsibility for coordinating the project on the local level. One of the conditions of local cooperation in this project is the non-Federal payment of one-third of the cost of the removal of sunken hulks and rundown piers identified by the Corps as sources of harbor drift. The DEC has accepted payment responsibility for one-half of this local share but looks to the City for assurance that property owners will provide the other half (one-sixth of total project cost).

Brooklyn Reach I contains the Brooklyn-Port Authority Marine Terminal; Erie Basin Fishport Site; Columbia Street Pier and Port Authority Grain Terminal. The Corps has agreed to the removal of Piers 1, 2 and 3, Erie Basin by the summer of 1985 in order to meet the operational needs of the Fishport.

The total project cost of the Port Authority portion of the removal work for Brooklyn Reach I, as estimated by the Corps in February 1984, is $9,091,099. Most of this work involves the removal of derelict waterfront structures in the Erie Basin, Columbia Street and Grain Terminal area. One-sixth of this sum amounts to $1,515,183, which constitutes the Port Authority share. Upon execution of an agreement with the City, the Port Authority will provide the City with an appropriate funding assurance from which to draw monies in the amounts and at the times required by the Corps of Engineers' work schedule.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with the City of New York Department of Ports and Terminals and to commit thereto the sum of $1,520,000 to be used as the Port Authority's share for pier removal work to be undertaken by the Corps of Engineers under the "New York Harbor Collection and Removal of Drift Project" at Brooklyn Reach I, which extends from the Manhattan Bridge in a south-easterly direction and terminates at the Port Authority Grain Terminal.

(Board - 12/13/84)

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into an agreement with the City of New York Department of Ports and Terminals and to commit thereto the sum of $1,520,000 to be used as the Port Authority's share for pier removal work to be undertaken by the Corps of Engineers under the "New York Harbor Collection and Removal of Drift Project" at Brooklyn Reach I, which extends from the Manhattan Bridge in a south-easterly direction and terminates at the Port Authority Grain Terminal; and it is further

RESOLVED, that the form of said agreement be subject to the approval of General Counsel or his authorized representative.

(Board - 12/13/84)

Brooklyn-Port Authority Marine Terminal - Study of Alternate Uses - Retention of Professional Services

It was reported that containerization has had a continuing effect on general cargo operations resulting in a steady decline in the need for breakbulk facilities in the port. Brooklyn Piers 1 through 6, formerly utilized as breakbulk facilities, are no longer in active use and there are no prospects for future marine cargo operations.

The piers are located on a prime waterfront location near the Brooklyn Bridge and are surrounded by designated landmark and historic districts and offer spectacular views of the harbor and Manhattan Island. The characteristics contribute to the site's value, but also put severe restrictions on potential development. The property contains 87 acres, of which the majority is owned by the Port Authority. A portion is under lease from The City of New York and another small section is owned by a third party.

Because of the joint property control, its uniqueness, and the potential impact of any new development on the surrounding communities, it has been deemed desirable that the Port Authority join with The City of New York to conduct a planning study. In an exchange of correspondence between the City and the Port Authority, it has been agreed that the Department of City Planning will take lead responsibility and coordinate the work to other City agencies in the joint planning effort. City Planning has assigned primary responsibility for the development of the planning context for the site to the staff of the Brooklyn Planning Office. They will be assisted by staff from other City agencies, including Ports and Terminals, and the Public Development Corporation. In order to assist the City in this joint effort, the Port Authority will employ two professional project staff to be assigned to the New York City Department of City Planning at a cost not to exceed $50,000.

A market demand study is needed to aid the study effort by analyzing potential market demand for various alternative uses and to study the impact of the alternatives on the transportation facilities in the study area. Among the many proposed uses suggested for the site, the consultant will concentrate on the market demand for the possible development of an Import-Export Exhibition Center, a large yacht marina, hotel-corporate condominium-executive conference complex, office, industrial and distribution space, the possible redesign and reconstruction of some of the existing facilities, and the provision of recreational and waterfront access. The market for retail and housing will be tested as a possible support for another major use.

The selection of Halcyon Ltd. of Hartford, Connecticut, to perform the market demand study was based on staff's evaluation of responses to a request for proposals. Responses were received from the following six firms:

Laventhal & Horwath, New York, New York
Boone, Young & Associates, Inc., New York, New York
Halcyon Ltd., Hartford, Connecticut
James Felt Realty Services, New York, New York
Landauer Associates, Inc., New York, New York
Real Estate Research Corp., Washington, D.C.

(Board - 12/13/84)

Staff review concluded that Halcyon Ltd. is the most responsive bidder and is qualified with necessary resources to perform the work and should be retained at a cost not to exceed $150,000, including an allowance for extra work and out-of-pocket expenses. Members of the Department of City Planning concur in the judgment.

Using information from the market study, the project staff will prepare development alternatives for the site. As part of the latter body of work, the Port Authority will undertake property appraisals to determine the value of the site. The cost of retaining such services will not exceed $100,000.

It was therefore recommended that the Board authorize the Executive Director to:

1. enter into an agreement with Halcyon Ltd. to perform alternate use studies and transportation analysis of potential alternative uses of the Brooklyn waterfront areas involving Piers 1 through 6 at a cost not to exceed $150,000;

2. employ two project employees to be assigned to the New York City Department of City Planning at a cost to the Port Authority not to exceed $50,000; and

3. obtain property appraisals at a cost not to exceed $100,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director be and he hereby is authorized to enter into (i) an agreement with Halcyon Ltd. to perform alternate use studies and transportation analysis of potential alternative uses of the Brooklyn waterfront areas involving Piers 1 through 6 at a cost not to exceed $150,000; (ii) employ two project employees to be assigned to the New York City Department of City Planning at a cost to the Port Authority not to exceed $50,000; and (iii) obtain property appraisals at a cost not to exceed $100,000; and it is further

RESOLVED, that the form of said agreements be approved by General Counsel or his authorized representative.

(Board - 12/13/84)

Lincoln Tunnel - Emergency Garage Extension - Contract LT-110.041 - Award

It was reported that Contract LT-110.041 provides for the demolition of the existing emergency garage extension structure, construction of a new emergency garage extension structure with offices and a fresh air intake tower atop and renovation of existing space above the garage, and renovation of existing space above the garage, all at the New Jersey portal of the Lincoln Tunnel. The present garage which is obsolete and inadequate by today's standards for tunnel operating personnel, accommodates only two of four required emergency vehicles. The remaining two vehicles must be parked on the apron area. The extended garage will accommodate all four vehicles. In addition, the reserve room, locker room and toilet facilities are substandard and such facilities for women are non-existent. Heating, ventilation, air conditioning and lighting are also substandard and antiquated. Improvement of the Lincoln Tunnel garage is part of the overall program to upgrade employee work area conditions and to improve service to the public.

Portions of work under Contract LT-110.041 may be performed during weekend and nighttime hours so as to minimize interference with traffic flow and essential facility operations.

The Board, at its meetings on August 27, 1980 and June 14, 1984, authorized the Executive Director to establish and implement affirmative action efforts with respect to contracting opportunities. Accordingly, the contract includes a provision that the bidder will use every good faith effort to meet a goal of Minority Business Enterprise participation of 10% for firms owned and controlled by minorities and 1% for firms owned and controlled by women.

The estimated total project cost, including payments to contractors, an allowance for extra work and engineering, administrative and financial expenses in connection with the award of this contract, is $2,849,000.

The contract was publicly advertised and the following bids were received on December 4, 1984:

Bristol Construction Corp. New York, New York	$2,110,000
T. Moriarty & Son, Inc. Brooklyn, New York	2,117,200
C. Raimondo & Sons Construction Co. Ft. Lee, New Jersey	2,707,000
Acme Skillman Construction Co., Inc. Maspeth, New York	2,857,000
ENGINEER'S ESTIMATE	$1,900,000

Bristol Construction Corp. submitted the lowest bid and was determined by the Chief Engineer to be qualified to perform the contract.

It was therefore recommended that the Board authorize the Executive Director to award Contract LT-110.041, Emergency Garage Extension, Lincoln Tunnel, to Bristol Construction Corp. in the total amount of $2,110,000 and to order extra work up to the amount of $211,000.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to award Contract LT-110.041, Emergency Garage Extension, Lincoln Tunnel, to Bristol Construction Corp. in the total amount of $2,110,000 and to order extra work up to the amount of $211,000.

(Board - 12/13/84)

The World Trade Center - Contract WTC-563.02 - Auxiliary Cooling Water System - Phase II - Tower B - Award and Project Authorization Increase

It was reported that the Board, at its meeting on July 12, 1984, in order to satisfy the heat dissipation needs of special air conditioning planned by existing and future tenants in Two World Trade Center, authorized a project for the installation of a condenser water and ventilation system in Two World Trade Center in the estimated amount of $3.4 million, including payments to contractors, allowances for extra work and net cost items, and engineering, administrative and financing expenses. Subsequently, the Committee on Construction, at its meeting on November 8, 1984, authorized the Executive Director to award Contract WTC-563.00, Auxiliary Cooling Water System, Phase I, Tower B, to Leewen Mechanical Corp., a firm having offices in Maspeth, Queens, New York, at its bid price of $666,069, exclusive of an authorization for extra work in the approximate amount of $70,000.

Staff is now ready to proceed with the completion of the Auxiliary Cooling Water System project (Phase II). In order to ensure timely completion of Phase II and to meet the lease requirements for condenser water for the tenants occupying vacated New York State space, it will be necessary to award Contract WTC-563.02 as soon as possible after the receipt of proposals.

Contract WTC-563.02 requires the contractor to furnish all labor and furnish and install all materials necessary to complete the installation of the Auxiliary Cooling Water System in Two World Trade Center which includes the installation of a riser from the 44th to 74th floors, the installation of four sets of heat exchangers and pumps (two sets on the 274' level MER and two sets on the 43rd floor MER) and the installation of two air handling systems (one system on the 41st floor MER and one system on the 75th floor MER).

In addition, the contract includes a provision that the contractor will use every good faith effort to meet a goal of minority business enterprise participation of 10% for firms owned and controlled by minorities and 1% for firms owned and controlled by women.

Proposals will be solicited from a list of approximately 30 qualified contractors and are presently scheduled to be opened on or about December 19, 1984.

As a result of proposals received for Phase I of this project, Contract WTC-563.00 and a revised estimate by the Engineering Department for the project which takes into account the fact that more labor will be required for the installation than originally anticipated, it now appears that the total project expenditure will exceed the project authorization by approximately $360,000.

This increase in the estimate for this project is necessary because the area on which the construction is to take place is not new construction, and therefore, more labor will be required for the installation than originally anticipated. As a result, the expenditure for the project is therefore presently being estimated at $3,760,000.

(Board - 12/13/84)

It was therefore recommended that the Board authorize:

1. the Executive Director in his discretion, either to award Contract WTC-563.02, Auxiliary Cooling Water System, Phase II, to the contractor who submits the lowest proposal, who in his opinion is qualified by reason of responsibility, experience and capacity to perform the contract and whose proposal price the Executive Director deems reasonable, and to order extra work up to the amount of 10% of the proposal accepted, or to reject all proposals; and

2. an increase in the total expenditures authorized for the project consisting of the installation of a condenser water and ventilation system in Two World Trade Center from $3.4 million to $3,760,000, including payments to contractors, an allowance for extra work and net cost items, and engineering, administrative and financing expenses.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized in his discretion, either to award Contract WTC-563.02, Auxiliary Cooling Water System, Phase II, to the contractor who submits the lowest proposal, who in his opinion is qualified by reason of responsibility, experience and capacity to perform the contract and whose proposal price the Executive Director deems reasonable, and to order extra work up to the amount of 10% of the proposal accepted, or to reject all proposals; and it is further

RESOLVED, that an increase is authorized in the total estimated expenditures authorized for the project consisting of the installation of a condenser water and ventilation system in Two World Trade Center from $3.4 million to $3,760,000, including payments to contractors, an allowance for extra work and net cost items, and engineering, administrative and financing expenses.

The World Trade Center - Contract TP-110.014 - Radio Frequency Interference Shield and Antenna Infield - Supplement No. 1

It was reported that as work progressed on Contract TP-110.014, which was awarded to D'Annunzio Constructors Corporation at its bid price of $4,225,000, exclusive of an allowance for extra work in the amount of $430,000 and net cost work roughly estimated at $150,000 and which provides for the erection of the antenna shielding and site work, installation of communication ducts, storm drainage, and the paving of access roadways for the area of the antenna farm on the Teleport site in Staten Island, the contractor uncovered a substantial accumulation of unsuitable material (primarily construction debris) during the excavation of the shield infield that had to be removed in a timely fashion to maintain the contract schedule. Since the material being cleared is not usable fill, it is necessary to remove it completely from the site. To date, approximately $360,000 of the extra work authorization has been expended for removal of such material and more of the authorization will be required since the removal is continuing. Based on the extra work expenditure to date and the volume of remaining materials, staff anticipates that a total expenditure of approximately $600,000 will be necessary to complete the site clearing.

Staff currently estimates that approximately 45-50,000 cubic yards of material will be removed under the proposed Supplement. In order to assure a reasonable cost for this work, proposals were solicited from D'Annunzio Constructors Corporation, Scotch Plains, New Jersey; Bruno Trucking Company, Staten Island, New York and Mileto Trucking, Linden, New Jersey. D'Annunzio's proposal for this work is $12 per cubic yard and the other proposals were $14 and $16 per cubic yard.

This Supplement will provide for the removal of all unsuitable material found within the shield infield, including that which was authorized to be removed under the extra work provision of the contract. Upon execution of this Supplement, the extra work allowance of the contract will be credited with an amount equal to that part of the extra work allowance expended for removal of the unsuitable material.

This expenditure was not anticipated in the original project authorization. However, under the lease agreement with Teleport Communications, Merrill Lynch Telecommunications Incorporated, and Western Union Communications Incorporated, some portion of this additional cost may be recoverable as additional rent based on the prorated number of earth stations installed and operating, so it is anticipated that the increase in the amount payable under Contract TP-110.014 will be offset to a certain extent by such additional rents.

It was therefore recommended that the Board authorize the Executive Director to enter into Supplemental Agreement No. 1 to Contract TP-110.014, Radio Frequency Interference Shield and Antenna Infield, with D'Annunzio Constructors Corporation, in the estimated amount of approximately $600,000 for the removal of unsuitable material excavated from the antenna infield at the Teleport site.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Executive Director is authorized to enter into Supplemental Agreement No. 1 to Contract TP-110.014, Radio Frequency Interference Shield and Antenna Infield with D'Annunzio Constructors Corporation, in the estimated amount of $600,000, for the removal of unsuitable material excavated from the antenna infield at the Teleport site.

(Board - 12/13/84)

Authorization to Enter into an Agreement with a Financial Advisor in Connection with the Safe-Harbor Leasing of PATH Rail Cars

It was recalled to the Board that the present PATH capital program provides for the purchase of at least 95 new PATH PA-4 cars and the comprehensive rehabilitation of 248 existing PA-series cars for use in revenue mass commuting service. It is expected that the first of the rehabilitated cars will be delivered by mid-1985 and that deliveries of rehabilitiated cars and new cars will continue in stages so that these cars would be placed in service by the end of 1987. All of the new and rehabilitated cars placed in service prior to December 31, 1987 are expected to qualify for safe-harbor leasing. In order to maximize these benefits, the services of a financial advisor to assist in the marketing of the transactions is desirable.

Staff solicited expressions of interests from twenty firms. The following eight firms expressed interest and submitted written material regarding their qualifications and fees:

Bank of America NT & SA, New York, New York
Citibank, N.A., Harrison, New York
E.F. Hutton & Company, Inc., New York, New York
Merrill Lynch, Pierce, Fenner & Smith, Inc., New York, New York
Morgan Guaranty Trust Company, New York, New York
Morgan Stanley & Co., Inc., New York, New York
Salomon Brothers, Inc., New York, New York
Smith Barney, Harris Upham & Co., Inc., New York, New York

These firms were interviewed by a team comprised of staff from the Finance, Law and Rail Transportation Departments. Based on a number of factors, including experience, proposed approach, fees and expression of commitment, staff recommends that Salomon Brothers Inc., be retained to assist in marketing the safe harbor transactions. The fee payable to Salomon Brothers, Inc., will be based on a percentage of the eligible basis of the cars for which Safe Harbor lease transactions are actually entered into. It is presently estimated, based upon the current PATH capital program, that the total fee would be approximately $850,000.

It was therefore recommended that the Board authorize the Executive Director to enter into an agreement with Salomon Brothers, Inc., to assist in arranging safe-harbor leasing transactions related to new and rehabilitated PATH rail cars at a fee to be calculated in the manner described in the foregoing report.

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

> RESOLVED, that the Executive Director is hereby authorized to enter into an agreement with Salomon Brothers, Inc. to assist in arranging safe-harbor leasing transactions related to new and rehabilitated PATH rail cars at a fee to be calculated in the manner described in the foregoing report.

(Board - 12/13/84)

ConRail Sale - Contingency Planning Services - Amendment to Existing Authorization

It was reported that the Board, at its meeting on July 8, 1982, authorized the Executive Director to execute an agreement or agreements with one or more consultants for contingency planning services related to the sale of ConRail at an amount not to exceed $300,000. Subsequently, agreements were executed with R.L. Banks & Associates, Inc. (RLBA), C.A.C.I., Inc.-Federal (CACI) and Reebie Associates at an aggregate total estimated price of $294,705.

Early this year a need developed to enlarge the scope of these studies to include analyses of purchase offers and possible requirements for legislation stemming from such offers. Accordingly, the Board, at its meeting on January 12, 1984, authorized: (1) amendment of the agreements with RLBA and CACI to provide for certain of these additional services at a total combined price not to exceed $48,000 and (2) an increase, from an amount not to exceed $300,000, to an amount not to exceed $400,000, in the overall authorization to execute agreements for professional services related to contingency planning for the ConRail sale.

As a result of various amendments, the agreements with RLBA and CACI now provide for a total estimated expenditure of $333,273. Other professional advisory services have also been retained so that the aggregate total of all contingency planning professional services is $356,273.

Because there are still many uncertainties concerning what form the ConRail sale will take and what legislative developments might yet occur, contingency planning services of RLBA, CACI and other firms or individuals might well be required at least through mid-1985. It appears that, of the currently authorized amount of $400,000 for all professional services related to ConRail contingency planning, the amount remaining unexpended of $43,727 will be sufficient to cover the remaining professional services that will be required.

This amendment, which will not result in any additional funds being expended beyond funds already authorized, will afford staff needed flexibility in ordering the required services.

It was therefore recommended that the Board amend its authorization of January 12, 1984, which permitted an increase at an amount not to exceed $48,000 in the scope of professional services performed by R.L. Banks & Associates, Inc. (RLBA) and C.A.C.I., Inc.-Federal (CACI), so as to delete the $48,000 limitation in order that the remaining funds authorized for all ConRail contingency planning professional services may be used to retain any professional services firm or firms, as the need arises, in connection with contingency planning for the ConRail sale.

Whereupon, the following resolution was unanimously adopted:

RESOLVED, that the Board amend its authorization of January 12, 1984, which permitted an increase at an amount not to exceed $48,000 in the scope of professional services performed by R.L. Banks & Associates, Inc. and C.A.C.I., Inc.-Federal, so as to delete the $48,000 limitation in order that the remaining funds authorized for all ConRail contingency planning professional services may be used to retain any professional services firm or firms, as the need arises, in connection with contingency planning for the ConRail sale.

(Board - 12/13/84)

Port Authority and PATH Employees - New York State Deferred Compensation Plan

It was reported that Section 457 of the Internal Revenue Code of 1954 provides that, for state and local government deferred compensation plans established in accordance with that section, compensation deferred and all earnings thereon are not subject to Federal income tax. Thus, the employee is able to save money before Federal income tax, while further reducing taxable income during peak earning years. Employees are eligible to defer receipt of what would otherwise be part of their income. Section 457 requires that all amounts deferred, including all income attributable thereto, remain solely the property of the employer, subject to the claims of its general creditors, until paid or made available to the employee or to his or her beneficiary.

New York State has adopted legislation authorizing the New York State Deferred Compensation Board created thereunder to establish a deferred compensation plan (the Plan) for employees of the State and other public employers which choose to participate therein, or to establish their own plans in accordance therewith, and dealing with the state and local income tax and New York State Retirement Systems consequences of such plans. In general, the maximum amount an individual can defer under the Plan is the lesser of one-third of "includable compensation" as defined by Section 457 or $7,500 a year. All amounts deferred are specifically includable in determining final average salary for New York State Retirement Systems purposes and are not treated as deferred for New York State and City income taxes; similarly, amounts are not deferred for purposes of New Jersey Gross Income Tax.

Under the Plan, after adoption of the Plan by an employer, any eligible employee may voluntarily choose to participate in the Plan or, thereafter, to cease participation for future compensation. All employees are eligible to participate therein except that employees who are included in a unit of employees covered by a negotiated collective bargaining agreement which does not provide for participation in the plan are excluded from such participation. Among Port Authority employees and Port Authority Trans-Hudson Corporation (PATH) employees covered by such agreements, only the present agreements with the associations representing police employees provide that their covered memberships would be eligible to participate in such a plan, if the Authority offers it to any of its employees.

The Plan provides that a public employer may participate by the adoption of an appropriate resolution of its governing body and the filing of a certified copy thereof with the President of the New York State Civil Service Commission. Such participation would constitute appointment of the New York State Deferred Compensation Board as the exclusive agent of the Port Authority and PATH exercising on behalf of the Port Authority and PATH, respectively, the powers conferred by the Deferred Compensation Plan until such time as the Authority or PATH may terminate their respective participation in the Plan.

All amounts deferred in accordance with the plan are to be transferred to one or more financial organizations appointed by the Deferred Compensation Board in accordance with its regulations, to be held, managed, invested and reinvested in accordance with the applicable agreement entered into by the Deferred Compensation Board with the financial organization. The Plan provides that the participating employee is to specify the percentage of his or her compensation being deferred (which amount may be changed, or stopped, from time to time) that shall be invested in the investments made available by such financial organizations. It further provides that each participating employee and his or her beneficiaries assume all risk in connection with any decrease in the value of such investments and that the employer shall not be liable or responsible therefore.

In that all amounts deferred and the earnings thereof remain the property of the Port Authority subject to the claims of its general creditors, until such time as payment is made to the respective employees or their beneficiaries, it is necessary that the Board authorize the transfer to and investment of Port Authority operating funds in accordance with the plan by such financial organizations as shall be determined by the Deferred Compensation Board in accordance with its regulations. Operating funds have previously been authorized to be invested, subject to certain restrictions, in obligations of, or fully guaranteed by, the United States, collateralized Time Accounts, securities of United States Government agencies and sponsored enterprises, negotiable Certification of Deposit, negotiable Bankers' Acceptances, Commercial Paper, and a Venture Capital Fund.

It is recommended, therefore, that the New York State Deferred Compensation Plan be adopted by the Board, with a certified copy of such resolution to be filed with the President of the New York State Civil Service Commission, and offered to eligible staff of the Port Authority and PATH as an employee benefit.

It is further recommended that the Board authorize the investment of operating funds in the amounts required by and the investment provided for under the Deferred Compensation Plan, in addition to those instruments in which the Executive Director is or may from time-to-time be authorized to invest such funds. It is further recommended that the Executive Director be authorized to take all action necessary or desirable in connection with this Deferred Compensation Plan.

Neither the Port Authority nor PATH would assume any responsibility for administrative costs associated with the Plan and all such costs would be borne by participating employees. Further, participation by the Port Authority and PATH in the Plan would not be irrevocable and would not preclude either the Port Authority or PATH from adopting other forms of plans which are or may become available to public employees.

(Board - 12/13/84)

Whereupon, pursuant to the foregoing report, the following resolution was unanimously adopted:

RESOLVED, that the New York State Deferred Compensation Plan for Employees of the State of New York and Other Participating Public Jurisdictions be and it hereby is adopted for employees of The Port Authority of New York and New Jersey and Port Authority Trans-Hudson Corporation; and it is further

RESOLVED, that in addition to those instruments in which the Executive Director is or may from time-to-time be authorized to invest operating funds, the Executive Director be and he hereby is authorized to invest operating funds in the amounts required by and the instruments provided for under this Deferred Compensation Plan; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to take all action necessary or desirable in connection with this Deferred Compensation Plan.

Adoption of Exemption to Aircraft Noise Restrictions

It was reported to the Board that Icelandair provides the only direct service between Kennedy International Airport and the Republic of Iceland. It currently utilizes DC-8 aircraft in the service which does not conform to the Port Authority's interim noise regluation or the final regulation which takes effect January 1, 1985. Presently, operations are being conducted pursuant to a Court ordered stipulation which expires by its terms on December 31, 1984.

The Port Authority's final rule was to be identical with the nationwide Federal rule which is being administered by the Federal Aviation Agency (FAA). Both rules permit only conforming aircraft as of January 1, 1985.

However, the FAA has granted an exemption from the Federal rule which permits Icelandair to continue to operate its nonconforming DC-8 aircraft between Iceland and the United States until November 30, 1985. That date is represented as the earliest date for operational availability of hush kits for the Icelandair DC-8 aircraft. Icelandair has contracted to purchase these hush kits. The FAA in granting Icelandair an exemption referred to a delay in available technology, financial havoc for the airline if it were forced to conform by January 1, 1985, and the significant impact of the loss of service to Iceland upon the transportation of military dependents and mail between the two countries.

The Acting Secretary of State, Kenneth Dam, has requested orally that the Port Authority grant a similar exemption to Icelandair citing grounds of "foreign relations and national security", and the unique position of Icelandair as the basis for the request of the State Department. Staff recommends that the Port Authority accede to the request of the State Department by granting an exemption limited to airlines providing the sole scheduled passenger service between New York and another foreign country where New York is the principal service to the United States and where such airlines have also obtained an exemption from the Federal regulations; it being also required that the State Department request in writing that such exemption be granted on "foreign relations and national security" grounds and the unique situation of the airline; and finally that Icelandair or any carrier eligible for such exemption enter into an agreement with the Port Authority satisfactory to the Executive Director providing, among other things, for definitive and binding action by the carrier to obtain and to utilize conforming aircraft as rapidly as may be practicable, including provision for the leasing of conforming aircraft if hush kit plans are not successful. Such provisions shall include an outside date for conformance of November 30, 1985 and that any conforming aircraft in the airlines fleet must be utilized at Kennedy International Airport if such aircraft can reasonably be used for such service. The exemption would be effective only if and when the Executive Director files a report with the Board confirming that the conditions above described have been satisfied.

Whereupon, the following resolution was unanimously adopted, Commissioner English abstaining:

> RESOLVED, that the Aircraft Noise Restrictions adopted by the Board, at its meeting on April 7, 1982, as subsequently amended, be and the same are hereby amended to add to Section 540/0-00 the following exemption:

An airline shall be exempted from the Port Authority's final rule for a period of time which in no event shall extend beyond November 30, 1985 under the following conditions:

1. The airline provides the sole scheduled passenger service betwen New York and a foreign country and New York is the principal service to the United States;

2. The airline has obtained an exemption from Federal regulations;

3. The State Department in writing has requested the Port Authority to grant such exemption based on "foreign relations and national security" grounds and the unique situation of the airline; and

4. The airline enters into agreement with the Port Authority satisfactory to the Executive Director providing among other things for definitive and binding action by the carrier to obtain and to utilize conforming aircraft as rapidly as may be practicable including provision for the leasing of conforming aircraft if hush kit plans are not successful, and further providing for the utilization at Kennedy International Airport of any conforming aircraft in the airline's fleet which can reasonably be used for such service. Finally, the agreement shall provide that full compliance with the final rule shall in no event occur later than November 30, 1985.

An exemption under this provision shall be effective only if and when the Executive Director files a report with the Board confirming that all of the above described conditions have been satisfied.

Whereupon, the meeting was adjourned.

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Secretary