

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Wednesday, November 19, 2014

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, November 19, 2014 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. John J. Degnan, Chairman
 Hon. Richard H. Bagger
 Hon. George R. Laufenberg
 Hon. Raymond M. Pocino
 Hon. William P. Schuber
 Hon. David S. Steiner

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. Kenneth Lipper
 Hon. Jeffrey A. Moerdler
 Hon. Rossana Rosado

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

Carrol V. Bennett, Manager, Real Estate Development, Real Estate Services
 Thomas L. Bosco, Director, Aviation
 Steven J. Coleman, Acting Director, Media Relations
 Nicole Crifo, Chief of Staff to the Deputy Executive Director
 Stephanie E. Dawson, Acting Chief Operating Officer
 John C. Denise, Audio Visual Supervisor, Marketing
 Joseph P. Dunne, Chief Security Officer
 Diannae C. Ehler, Deputy Director, Tunnels, Bridges and Terminals
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Sean M. Fitzpatrick, Chief of Staff to the Chairman
 Michael B. Francois, Chief, Real Estate and Development
 Robert E. Galvin, Chief Technology Officer
 David P. Garten, Chief of Staff to the Vice Chairman
 Joaquin J. Gonzalez, Senior Program Manager, Tunnels, Bridges and Terminals
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Chief, Human Capital
 Norma Hardy, Assistant Police Chief, Public Safety
 Howard G. Kadin, Esq., Law
 Stephen Kingsberry, Director, Rail Transit
 James R. Kleeman, Deputy Director, World Trade Center Redevelopment
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Richard M. Larrabee, Director, Port Commerce
 Julian A. Lopez, Leadership Fellow, Human Resources
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Esq., Law
 Ronald Marsico, Assistant Director, Media Relations
 Angel Martinez, Assistant Director, LaGuardia Airport Redevelopment, Aviation
 Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management
 Daniel G. McCarron, Comptroller
 Gerard McCarty, Director, Office of Emergency Management
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary

David J. McGrath, Acting Director, Marketing
 Carlene V. McIntyre, Assistant General Counsel
 Mark F. Muriello, Assistant Director, Operations Specialist, Tunnels, Bridges and Terminals
 Michael Nestor, Inspector General
 William A. Nurthen, General Manager, Port Environmental Programs, Port Commerce
 Steven A. Pasichow, Director, Office of Investigation, Office of the Inspector General
 Matthew E. Pedersen, Manager, Real Estate Transactions, Real Estate Services
 Paul A. Pietropaolo, Program Director, Tunnels, Bridges and Terminals
 Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
 Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
 Alan L. Reiss, Deputy Director, World Trade Center Construction
 Beth E. Siegel, Director, Capital Programs
 Brian W. Simon, Director, Government and Community Affairs, New York
 Timothy G. Stickelman, Assistant General Counsel
 I. Midori Valdivia, Senior Advisor to the Executive Director
 Christopher M. Valens, Senior Public Information Officer, Media Relations
 Lillian D. Valenti, Chief Procurement and Contracting Officer
 Michael L. Valletta, Assistant Director, Tunnels, Bridges and Terminals
 Sheree R. Van Duynes, Manager, Policies and Protocol, Office of the Secretary
 Cheryl A. Yetka, Treasurer
 Peter J. Zipf, Chief Engineer

Guests:

Amy Herbold, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey
 Ryan Napolitano

Speakers:

Murray Bodin, Member of the Public
 Thomas Brennan, Member of the Public
 Antwan Harvey, Unite Here Local 100
 Richard Hughes, Twin Towers Alliance
 Alturric Kenney, Manager of Port Newark Operations and Business Development, Office of
 the Mayor, City of Newark, New Jersey
 Julisa Mellow, Local 32BJ
 Stephen Sigmund, Global Gateway Alliance
 Britney Smith, Unite Here Local 100
 Neile Weissman, New York Cycle Club

The public meeting was called to order by Chairman Degnan at 11:38 a.m. and ended at 12:39 p.m. The Board met in executive session after the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of October 22, 2014. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on October 23, 2014. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on November 7, 2014.

Whereupon, the Board unanimously approved the Minutes of the meeting of October 22, 2014.

Report of Joint Meeting of Committees on Finance and Operations

The Committees on Finance and Operations reported, for information, on matters discussed in executive session at their joint meeting on November 13, 2014, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in public session at its meeting on November 19, 2014, which included discussion of the financial portfolio performance results for the third quarter of 2014, and the report was received.

Report of Committee on Governance and Ethics

The Committee on Governance and Ethics reported, for information, on matters discussed in public session at its meeting on November 19, 2014, which included discussion of the six-month Committee agenda, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on November 19, 2014, which included discussion of a Regional Truck Replacement Program to effectuate the replacement of certain drayage trucks that currently serve the Port Authority's marine terminal facilities, and discussion of the Lincoln Tunnel North Bergen Park-and-Ride lease, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public session at its meeting on November 19, 2014, which included discussion of a contract in connection with the continued development and operation of the World Trade Center site, and the report was received.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in public session at its meeting on November 19, 2014, which included discussion of the Capital Plan performance results for the third quarter of 2014, and the report was received.

PORT OF NEW YORK AND NEW JERSEY – REGIONAL TRUCK REPLACEMENT PROGRAM

It was recommended that the Board authorize: (1) a Regional Truck Replacement Program (Program), at a total estimated cost of \$2.42 million, of which \$2 million would be funded through a Federal Highway Administration Congestion Mitigation and Air Quality (CMAQ) grant to be administered by New Jersey Department of Transportation, to effectuate the replacement of approximately 80 drayage trucks built prior to 2007 that frequently serve the Port of New York and New Jersey (Port) with new or newer drayage trucks that were built no earlier than 2007 and have engines that generate lower emissions; and (2) the Executive Director to enter into an agreement with Tetra Tech, Inc., selected utilizing an existing government contract, to provide administrative support to effectuate the Program, at an estimated cost of \$420,000.

In August 2008, the Port Authority performed a Drayage Truck Characterization Survey that evaluated the profiles of drayage trucks visiting the Port's marine terminal facilities. The survey estimated that approximately 700 drayage trucks built prior to 1994 service the Port's marine terminal facilities five or more times per week, and that approximately two-thirds of the drivers are independent owner/operators, while the remainder drive trucks owned by another entity.

In November 2008, the Board adopted a Statement of Principles for Improving Air Quality at the Port, that reaffirmed its support of the Port Authority's continuing sustainability initiatives to reduce Port-related emissions of particulate matter, nitrogen oxides, and sulfur dioxides by three percent, and greenhouse gases (GHG) by five percent, on an annual basis, with the goal of achieving 80-percent reduction in GHG emissions from 2006 levels by 2050.

In furtherance of these efforts, a Regional Truck Emission Reduction Program initiative was identified, which contains several components to reduce emissions from trucks serving the Port. In that regard, at its meeting of July 23, 2009, the Board authorized the establishment of a Truck Replacement Program to effectuate the replacement of approximately 636 pre-1994 model drayage trucks that frequently serve the Port with newer drayage trucks equipped with engines built in model year 2004 or later that generate lower emissions and have greater fuel efficiency. Under that program, the Port Authority committed up to \$28 million of operating funds, with \$7 million reimbursed to the Port Authority via a United States Environmental Protection Agency (USEPA) grant, and the remaining \$21 million was to be reimbursed to the Port Authority by the trucking company or individual owner/operator. As authorized by the Board on May 25, 2011, the Truck Replacement Program was amended to expand the eligibility requirements to include drayage trucks with engines built in model year 2003 or older that frequently serve the Port. The full amount of the authorized funding for the Truck Replacement Program was utilized, resulting in the replacement of 370 older trucks.

Additionally, on February 24, 2011, the Board authorized a Supplemental Truck Replacement Program to effectuate the replacement of approximately 126 drayage trucks equipped with engines built in model years 1994 through 2003 that frequently serve the Port with drayage trucks equipped with engines built in model year 2007 or later that generate lower emissions and have greater fuel efficiency. Under that program, the Port Authority committed up to \$6,308,596 of operating funds, with \$1,577,149 reimbursed to the Port Authority via a USEPA grant and the remaining \$4,731,447 to be reimbursed to the Port Authority by the trucking company or individual

owner/operator. The full amount of the authorized funding for the Supplemental Truck Replacement Program was utilized, resulting in the replacement of 59 additional older trucks.

Pursuant to the Rules and Regulations of the Marine Terminal Tariff – Federal Maritime Commission Schedule No. PA-10, effective January 1, 2011, Class 8 drayage trucks (vehicles with a design-loaded weight greater than 33,000 pounds) with pre-1994 model year engines are no longer permitted to service the Port Authority's marine terminal facilities. Additionally, Class 8 drayage trucks with engines that fail to meet or exceed 2007 model year on-road federal USEPA heavy-duty diesel-fueled emission standards will be denied access to our marine terminal facilities, effective January 1, 2017.

Under this proposed authorization, the Program would advance the replacement of an additional 80 older trucks that frequently serve the Port, by providing trucking companies and independent owner/operators of trucks with an incentive to purchase a new or newer truck that emits lower levels of pollutants. The \$2 million CMAQ grant would be used to pay up to 50 percent of the cost -- or a maximum amount of \$25,000 -- to purchase a newer-model replacement truck (model year 2007 and later), with the remaining costs to purchase the replacement truck to be provided by the qualifying trucking company or independent owner/operator of the qualifying truck through privately obtained financing.

As part of this authorization, Tetra Tech, Inc. would be retained by the Port Authority to provide administrative support to effectuate the Program, at an estimated cost of \$420,000. Tetra Tech, Inc. would: canvas and brief regional truck dealerships, scrap yards and truck owners regarding the requirements to participate in the Program; monitor compliance of the new vehicles with Program requirements; provide required state/federal reports; verify scrappage of the pre-2007 trucks; and establish use of data from the Radio Frequency Identification Device tag and reader system installed at all container terminals at the Port Authority's marine terminal facilities that would monitor continuation of truck service to the Port over an ensuing five-year period.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Degnan, Laufenberg, Lipper, Moerdler, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Port Authority's Regional Truck Replacement Program (Program) be and it hereby is established and authorized, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Tetra Tech, Inc. to provide administrative support services necessary to effectuate the Program, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take any and all action necessary to effectuate the foregoing, including the execution of agreements, contracts and other documents to facilitate such action, together with amendments and supplements thereof, including amendments and supplements to existing agreements, and to take action in accordance

with the terms of such agreements, contracts and other documents, as may be necessary in connection therewith; and it is further

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

**WORLD TRADE CENTER WEST BATHTUB VEHICULAR ACCESS PROJECT –
AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR
PLUMBING**

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation (Tishman), with Medco Plumbing, Inc. to furnish and install a plumbing system for the World Trade Center West Bathtub Vehicular Access (WTC WBVA) Project, at an estimated cost of \$6,670,000, inclusive of net cost work and an eight-percent allowance for extra work; (2) increase the compensation under the existing agreement with WSP Group to provide expert professional architectural and engineering services in support of the WTC WBVA Project, consistent with the terms outlined to the Board; and (3) increase the compensation under the existing agreement with Tishman to provide construction management services in support of the WTC WBVA Project, consistent with the terms outlined to the Board.

At its meeting of July 23, 2014, the Board authorized a project for the design and construction of the WTC WBVA and related infrastructure, at a total estimated project cost of \$412 million. The WTC WBVA Project, located within Parcel 1B of the WTC site, is composed of a vehicular roadway helix and associated infrastructure, and will provide subgrade access to the WTC site for authorized passenger cars, vans and emergency vehicles. It is the last component of the Vehicle Roadway Network at the WTC site. The WTC WBVA will include a below-grade common West Ramp to connect the East Bathtub service roadway with the permanent loading docks for One World Trade Center (One WTC), the Performing Arts Center (PAC) and the WTC retail development.

The scope of work under the proposed plumbing construction trade contract includes the furnishing and installation of a complete plumbing system for the WTC WBVA Project, including domestic water distribution and collection systems, drainage, water closet facilities, ejector and sump piping systems, all connections to street mains, and temporary plumbing services.

Timely award of the proposed contract is essential to ensuring that commitments to adjacent WTC site stakeholders are met, such as those necessary to meet the lease commitments to Condé Nast, including construction of a loading dock ramp connected to the basement level of One WTC, to be operational by December 2016.

The advancement of the contract would not include any funding for the construction of the future PAC building above the WBVA, nor would it express any intent or commitment on the part of the Port Authority to participate in the PAC's construction or operations.

At its meeting of October 22, 2009, the Board authorized an agreement with Tishman to perform construction management services to support the implementation of the WTC WBVA Project and several other related projects at the WTC site for a four-year term, including two one-year extension options, at a total estimated amount of \$47.3 million. On June 28, 2012, the Board authorized an increase in planning work for the design and construction of the WTC WBVA and structure to grade (Parcel 1B), at an estimated amount of \$17 million. That authorization included the award of an agreement to WSP Group, in the amount of \$12,361,222, inclusive of an eight-percent contingency allowance and contract option work, for engineering, administration and other costs related to final design and construction services for the WTC WBVA Project. The contract

with WSP Group includes provisions for architectural and engineering services for the demolition and removal of the North Temporary Access structure at the WTC site.

It is necessary to increase the amount authorized under the existing agreements with WSP Group and Tishman for professional architectural and engineering services and construction management services, respectively, to support the WTC WVBA Project, consistent with the terms outlined to the Board. The architectural and engineering services are required for coordination efforts associated with the PAC. The PAC will be located east of One WTC, above the WTC WBVA in the Parcel 1B quadrant. The footings, foundations and shear walls supporting the PAC are integral to the WTC WBVA foundations. The construction management services are required to accommodate the construction schedule of the WTC WVBA Project.

The Port Authority is pursuing reimbursement for work associated with the development of the WBVA area to grade in a manner that would accommodate the future construction of the PAC. Negotiations regarding such reimbursement are ongoing among the Port Authority, the PAC Foundation and agencies of the State of New York. In connection with the WBVA Project, it is the Port Authority's intent to recover its costs associated with work that is the responsibility of, or that is being performed on behalf of, adjacent WTC site stakeholders.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement, through construction manager Tishman Construction Corporation, with Medco Plumbing, Inc. to furnish and install a plumbing system for the World Trade Center West Bathtub Vehicular Access (WTC WBVA) Project, at an estimated total cost of \$6,670,000, inclusive of net cost work and an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase the compensation under the existing agreement with WSP Group to provide expert professional architectural and engineering services in support of the WTC WBVA Project, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase the compensation under the existing agreement with Tishman Construction Corporation to provide construction management services in support of the WTC WBVA Project, consistent with the terms outlined to the Board; and it is further

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

SETTLEMENT OF CLAIM – E. CRESPO v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, ET AL.

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the civil action pending in the Supreme Court of the State of New York, Queens County, entitled, “E. Crespo v. The Port Authority of New York and New Jersey, et al.,” in the amount of \$525,000, inclusive of attorneys’ fees, costs and disbursements.

Plaintiff, Eldra Crespo, who was 26 years old at the time of the incident and employed by Five Star Parking as a clerk, alleges that on February 13, 2006 she sustained personal injuries as a result of the Port Authority’s negligence, when she slipped and fell on an accumulation of snow and ice at the Central Terminal Building at LaGuardia Airport. As a result of the incident, Ms. Crespo sustained various personal injuries, which resulted in medical treatments, multiple surgical procedures, and economic damages.

Pursuant to the foregoing report, the Board adopted the following resolution in executive session, with Commissioners Bagger, Degnan, Laufenberg, Lipper, Moerdler, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the civil action pending in the Supreme Court of the State of New York, Queens County, entitled, “E. Crespo v. The Port Authority of New York and New Jersey, et al.,” in the amount of \$525,000, inclusive of attorneys’ fees, costs and disbursements.

Whereupon, the meeting was adjourned.

Secretary