

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Tuesday, March 29, 2011

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Tuesday, March 29, 2011 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 Hon. Anthony R. Coscia
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

Hon. Stanley E. Grayson, Vice-Chairman
 Hon. H. Sidney Holmes III
 Hon. Jeffrey A. Moerdler

Christopher O. Ward, Executive Director
 William Baroni, Jr., Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Susan M. Baer, Director, Aviation
 James E. Blackmore, Program Director, Tunnels, Bridges and Terminals
 Steven A. Borelli, Assistant Director of Port Business Development, Port Commerce
 Vincent J. Borst, Assistant Director of Property Management, Real Estate and Development
 Ernesto L. Butcher, Chief Operating Officer
 Steven J. Coleman, Assistant Director, Media Relations
 Gerard A. Del Tufo, Assistant Director of Development and Operations, Real Estate and Development
 Michael P. DePallo, Director, Rail Transit
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 Francis A. DiMola, Director, Real Estate and Development
 John J. Drobny, Director, Security Projects
 Michael G. Fabiano, Chief Financial Officer
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Michael B. Francois, Chief, Real Estate and Development
 Jennifer Friedberg, Public Information Officer, Media Relations
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 Lash L. Green, Director, Office of Business and Job Opportunity
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Andrew T. Hawthorne, Director, Marketing
 Mark D. Hoffer, Director, New Port Initiatives, Port Commerce
 Lawrence S. Hofrichter, Deputy General Counsel
 Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs
 Howard G. Kadin, Esq., Law
 John P. Kelly, Director, Media Relations
 Kirby King, Director, Technology Services
 Louis J. LaCapra, Chief Administrative Officer
 Cristina M. Lado, Director, Government and Community Affairs
 Conor Lanz, Special Assistant to the Executive Director
 Jamie E. Loftus, Chief, Public and Government Affairs
 Dennis Lombardi, Deputy Director, Port Commerce
 Thomas P. Maher, Assistant Director, Real Estate and Development

Norma L. Manigan, Program Director, External Affairs, Marketing
Ronald Marsico, Assistant Director, Media Relations
Michael G. Massiah, Director, Management and Budget
Daniel G. McCarron, Comptroller
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Anne Marie C. Mulligan, Treasurer
Edward Nathan, Assistant Director of Planning and Project Development, Real Estate and
Development
Timothy G. Stickelman, Assistant General Counsel
Gerald B. Stoughton, Director, Financial Analysis
Robert A. Sudman, Director, Audit
Ralph Tragale, Assistant Director, Public Affairs, Aviation
David B. Tweedy, Chief, Capital Programs
Lillian D. Valenti, Director, Procurement
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Andrew S. Warshaw, Chief of Staff to the Executive Director
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive
Director
Peter J. Zipf, Chief Engineer

Speakers:

Margaret Donovan, Twin Towers Alliance
Richard Hughes, Twin Towers Alliance
John McAusland, General Counsel, Port Authority Police Benevolent Association
Paul Nunziato, President, Port Authority Police Benevolent Association
Robert Paulsen, Delegate, Port Authority Police Benevolent Association

The public meeting was called to order by Chairman Samson at 12:47 p.m. and ended at 1:15 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of February 24, 2011. 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 February 25, 2011. She reported further that the time for action by the Governors of New York and New Jersey expired at midnight on March 11, 2011.

Whereupon, the Board unanimously approved the Minutes of the meeting of February 24, 2011.

Report of WTC Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in executive session at its meeting on March 23, 2011, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and the report was received.

Report of Security Committee

The Security Committee reported, for information, on matters discussed in executive session at its meeting on March 29, 2011, which included discussion of matters involving public safety or law enforcement, and the report was received.

Report of the Committee on Capital Programs/Agency Planning

The Committee on Capital Programs/Agency Planning reported, for information, on matters discussed in public session at its meeting on March 29, 2011, which included discussion of planning for the future rehabilitation of Runway 4L-22R at John F. Kennedy International Airport, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public and executive sessions at its meeting on March 29, 2011, which included discussion of a lease supplement to the fixed base operator agreement at Newark Liberty International Airport, and discussion of matters related to the purchase, sale or lease of real property or securities where disclosure would affect the value thereof or the public interest, and the report was received.

Report of Special, Interim Meeting of the Committee on Operations

In view of the absence of a quorum for the Board to act on a matter to be considered at its meeting on March 29, 2011, consistent with the Board's resolution of December 15, 1994, a special, interim meeting of the Committee on Operations was held. At the meeting, the Committee acted for and on behalf of the Board on a matter included on the agenda for the Board meeting. A copy of the minutes of the special, interim meeting of the Committee on Operations held on March 29, 2011 is included with these minutes.

GOETHALS BRIDGE – GOETHALS BRIDGE MODERNIZATION PROGRAM – PHASE I – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project (Project) for Phase I of the Goethals Bridge Modernization Program (GBMP or Program) to advance the replacement of the Goethals Bridge, at a total estimated project cost of \$126 million, including \$59.1 million previously authorized for Project planning; (2) the Executive Director to take action, as necessary, to effectuate the Project, with respect to: (a) the extension of existing contracts and the award of contracts for professional and advisory services related to Program management, environmental, technical, financial and relocation analysis support; and (b) the purchase of options to acquire real property interests, execution of right-of-entry agreements, commencement of pre-vesting condemnation processes concerning Project-related property located in Staten Island, New York and Elizabeth, New Jersey, and the acquisition of intellectual property rights in connection with anticipated Request for Proposals (RFP) submissions; and (3) the Executive Director and/or General Counsel to conduct a public hearing under the New York State Eminent Domain Procedure Law (EDPL).

In September 2003, the Board authorized planning work, in an estimated amount of \$47 million, to advance the GBMP, which included planning and design work, preparation of an Environmental Impact Statement (EIS) under the federal National Environmental Policy Act (NEPA), and planning work associated with the Program right-of-way. During this planning phase, the bridge deck was rehabilitated in 2006, with the intention of ensuring that the deck would function adequately for a period of approximately ten years, while planning and subsequent replacement of the bridge occurred. In February 2009, it became necessary for the Board to authorize a \$13 million increase in the amount of the planning authorization, to provide for additional planning and design work to complete the GBMP EIS. This increase included an authorization for preliminary planning, environmental analysis, and design support associated with potential improvements to the Interstate 278/U.S. Routes 1&9 Interchange Ramps that provide access to the Goethals Bridge, in an estimated amount of \$900,000.

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

Constructed in 1928 to then-current criteria and standards, the Goethals Bridge is now approaching functional obsolescence. Compared to today's standard 12-foot-wide lanes, the Goethals Bridge's ten-foot-wide lanes present a safety issue for trucks and wider vehicles, and cause congestion. The roadway traversing the bridge contains only two lanes in each direction and lacks shoulders, which impedes access to the bridge during emergencies. Additionally, the increasing growth of traffic on the Goethals Bridge has resulted in traffic conditions at or near

capacity during peak periods. Due to these factors, there is a need to replace the Goethals Bridge with a modern structure.

The proposed GBMP Phase I work includes, but is not limited to: acquisition of options to purchase real property, execution of right-of-entry agreements, and commencement of pre-vesting condemnation processes concerning Project-related property in New York and New Jersey; development of Project-related documents, including development of a RFP for the design, construction, financing and maintenance of the replacement Goethals Bridge, which would be issued to selected respondents (proposers); continuation of existing contracts and/or award of contracts for professional and legal services, Program management, environmental, technical and financial support, a relocation specialist and other work including, but not limited to, relocation analysis, preparation of applications for and obtaining permits and approvals, municipal and other governmental and private processes, authorizations and consents, field surveys, and other documents; right-of-way planning and pre-acquisition activities; Program management support; and work associated with the preparation and application for a federal Transportation Infrastructure Finance and Innovation Act loan, as well as an application to support the allocation of Private Activity Bonds towards the Project.

In light of the Port Authority's capital constraints, staff initiated a study to explore alternative financing methods to replace the Goethals Bridge. The results of the study led to a recommendation to replace the Goethals Bridge through a public-private partnership project delivery method known as design-build-finance-maintain (DBFM). To explore further the viability of utilizing this innovative structure to deliver this critical transportation infrastructure project, staff issued a Request for Information (RFI) in May 2010 to obtain industry feedback and comments on the Port Authority's proposed approach. Based on insight gained through feedback from the RFI, staff issued a Request for Qualifications in October 2010, pursuant to which eight responding DBFM teams submitted their Statements of Qualifications in January 2011. Within the next several months, staff expects to develop the RFP contractual documents with respondents deemed best qualified to participate in the RFP process. Under the terms of the RFP, the Port Authority would acquire the intellectual property rights of each unsuccessful proposal.

Prior to the issuance of the Final EIS, the Port Authority, as the project sponsor, chose the "New Alignment South" as its proposed bridge alignment. The United States Coast Guard (USCG) issued a Final EIS and, on January 31, 2011, a Record of Decision for the proposed Goethals Bridge replacement. The Port Authority has filed an application for a USCG Bridge Permit. Additionally, it is anticipated that entities of the State of New York and the City of New York will issue environmental findings in connection with their respective authorizations in support of the Program.

In view of the proposed schedule for the Program, staff recommended authorization of Phase I of the Program, including the discretionary conducting of a public hearing, as required by the New York EDPL. Under the EDPL, the hearing is a precondition to further Board authorization to initiate eminent domain proceedings in New York. In addition, to be in a position to have the Project qualify for federal aid, staff plans to implement federal requirements relating to Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Coscia, Grayson, Holmes, Moerdler, Pocino, Samson, Sartor and Steiner voting in favor; none against:

RESOLVED, that a project for Phase I of the Goethals Bridge Modernization Program (Program), to advance the replacement of the Goethals Bridge, at a total estimated project cost of \$126 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action, as may be necessary, with respect to the extension of existing contracts and the award of contracts for professional and advisory services related to Program management, environmental, technical, financial and relocation analysis support, and to develop a Request for Proposals (RFP) process for the design, construction, financing and maintenance of the replacement Goethals Bridge, to acquire the intellectual property rights of the anticipated unsuccessful proposals, and to take such other action as may necessary to effectuate Phase I of the Program, pursuant to authority granted in the By-Laws or other resolution adopted by 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 such actions, and execute documents, and agreements, including, without limitation, with the City of Elizabeth, City of New York and the State of New York and other public and private entities, which may contain indemnification provisions, and may be associated with the purchase of options to acquire real property interests, execution of right-of-entry agreements, commencement of pre-vesting condemnation processes concerning project-related property located in Staten Island, New York and Elizabeth, New Jersey, right-of-way planning, environmental studies, appraisals, surveys and mapping, relocation analysis, title searches and insurance commitments, geotechnical investigations, and applying for and obtaining permits and approvals and municipal and other governmental and private processes, authorizations and consents, as may be necessary to effectuate Phase I of the Program; and it is further

RESOLVED, that the Executive Director and/or General Counsel, either one acting individually, be and they each hereby are authorized, for and on behalf of the Port Authority, in his discretion, to conduct a public hearing under the New York State Eminent Domain Procedure Law in connection with the potential acquisition of project-related real property in New York through eminent domain; and it is further

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

NEWARK LIBERTY INTERNATIONAL AIRPORT – SIGNATURE FLIGHT SUPPORT CORPORATION – LEASE ANA-273 – SUPPLEMENT NO. 6

It was recommended that the Board authorize the Executive Director to enter into a supplement to Lease ANA-273 (the Lease) with Signature Flight Support Corporation (Signature) for the continued letting of Hangar 15 and associated ground area of approximately 11.28 acres at Newark Liberty International Airport (EWR), which would extend the current lease term, due to expire on August 31, 2014, for an additional ten-year period, for the purpose of operating a fixed-based operator facility to handle general aviation activity.

Signature (including its predecessor entities) developed the existing leasehold and has been a tenant at EWR under the Lease since 1986.

Under the proposed lease supplement, Signature would invest a minimum of \$11 million to construct a new state-of-the-art terminal building and perform ramp renovations, all to be completed prior to the Super Bowl to be held at the New Jersey Meadowlands Sports Complex in 2014. The Port Authority would receive a total aggregate rental of approximately \$54.15 million (including land rental, hangar rental, fuel flowage fees, aircraft lubricant fees, percentage fees, airport service fees and other charges) over the term of the Lease supplement. The Port Authority would have the right to terminate the Lease, as supplemented and amended, without cause, on 120-days' prior written notice to Signature. In the event the Port Authority exercises its right to terminate without cause, the Port Authority would be required to pay to Signature the unamortized balance of Signature's actual initial investment in the premises, in an amount not to exceed \$11 million.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Coscia, Grayson, Holmes, Moerdler, Pocino, Samson, Sartor and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a supplement to Lease ANA-273 with Signature Flight Support Corporation for the continued letting of Hangar 15 and associated ground area of approximately 11.28 acres at Newark Liberty International Airport, which would extend the current lease term, due to expire on August 31, 2014, for an additional ten-year period, for the purpose of operating a fixed-based operator facility to handle general aviation activity, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

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

ACCESS INFRASTRUCTURE ENHANCEMENT PROJECTS

In view of the ongoing needs of the Port Authority's facilities for efficient transportation access and egress for goods and people, it was recommended that the Board authorize the Executive Director, in consultation with the Chairman of the Committee on Operations, to effectuate the Port Authority's participation in cooperation with the New Jersey Department of Transportation (NJDOT) in the Route 1&9 Pulaski Skyway; Route 139 (Hoboken and Conrail Viaducts); Route 7 Hackensack River (WittPenn) Bridge; and Route 1&9T (New Road) projects. Port Authority participation in these projects (or suitable replacement projects mutually agreed upon with NJDOT) would be consistent with the Port Authority's Capital Infrastructure Fund provided for in the Port Authority's Annual Budget and its Capital Plan. The Executive Director would also be authorized to enter into an agreement or agreements with NJDOT relating to such Port Authority participation.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Coscia, Grayson, Holmes, Moerdler, Pocino, Samson, Sartor and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized in consultation with the Chairman of the Committee on Operations, for and on behalf of the Port Authority, to effectuate the Port Authority's participation in cooperation with the New Jersey Department of Transportation (NJDOT) in the Route 1&9 Pulaski Skyway; Route 139 (Hoboken and Conrail Viaducts); Route 7 Hackensack River (WittPenn) Bridge; and Route 1&9T (New Road) projects, as reported 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 or agreements with NJDOT in connection with such Port Authority participation; 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.

CONFIDENTIAL ITEM

The Commissioners also authorized a transaction in executive session, which shall not be made available for public inspection.

TRIBUTE TO FRANCIS A. DIMOLA

The Board of Commissioners upon the impending retirement of Francis A. DiMola unanimously adopted the following resolution.

WHEREAS, from the time he joined the Port Authority in July 1976 as a Facility Operations Agent and since his appointment as Director of the agency's Real Estate Department in February 2005, Frank DiMola has served with great distinction and has provided critical services to support the agency's core transportation mission and business needs; and

WHEREAS, Frank DiMola has demonstrated a considerable level of talent and dedication to the agency during his nearly 35-year career by contributing his skills and abilities to a variety of areas including Police Officer, Operations Services Supervisor, Assistant Manager Airport Services, Assistant Director of Aviation Operations and Security, Assistant Director of Aviation Business and Commercial Development and currently as Director of the Real Estate Department; and

WHEREAS, as Assistant Director of Business and Commercial Development in the Aviation Department from January 2000 to February 2005, Frank DiMola led the Aviation Department's participation in the agency's negotiations with New York City for renewing the airport lease for LaGuardia and John F. Kennedy International Airports through 2050, chaired the Port Authority negotiating team that implemented the 20-year rates and charges agreement, known as the *Freedom Agreement*, for the airlines serving LaGuardia and John F. Kennedy International Airports, oversaw all property and lease matters at John F. Kennedy International, Newark Liberty International, LaGuardia and Teterboro Airports, and played a prominent role in the successful negotiation of numerous agreements with our airport tenants, including a long-term lease agreement with JetBlue Airways for the letting and redevelopment of Terminal 5 at John F. Kennedy International Airport, and was instrumental in fostering strong working relationships with all of the airlines, terminal operators, and airport service providers; and

WHEREAS, since his appointment to Director of the agency's Real Estate Department in February 2005, Frank DiMola has been responsible for oversight of all leasing and property matters relating to the agency's Waterfront Development and Harbor Estuary Programs, as well as planning for major redevelopment projects at the Port Authority Bus Terminal, PATH Jersey City Powerhouse, the Hoboken Ferry Terminal and George Washington Bridge Bus Station and has provided a wealth of expertise and support to the agency's line departments in their distinctive areas of business concerning their leasing and property matters; and

WHEREAS, as Director of Real Estate, Frank DiMola has played a prominent role in bringing to fruition efficient and environmentally sensitive agency-wide office space and operations initiatives, which included the acquisition of new Authority office at 2 Montgomery Street in Jersey City and the design of future Port Authority offices at the World Trade Center site;

WHEREAS, Frank DiMola has been instrumental in the development and implementation of effective agency-wide management tools, which included the establishment of a corporate database to ensure the management of the agency's property portfolio and timely negotiation and execution of numerous real estate agreements for the agency's line departments; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement, Francis A. DiMola was awarded the Port Authority Police Meritorious Medal in 1980 and the Port Authority Police Commendation Medal in 1981. Following the terrorist attacks on the World Trade Center, Frank DiMola received the Civilian Commendation Award for his acts of bravery on September 11, 2001; and was awarded the James G. Hellmuth Unit Citation award in 2006 as part of the John F. Kennedy International Airport JetBlue Terminal 5 Lease and Redevelopment Action team.

NOW, therefore, be it

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

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

Whereupon, the meeting was adjourned.

Secretary