

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, October 20, 2011

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, October 20, 2011 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. William P. Schuber
 Hon. David S. Steiner

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. H. Sidney Holmes III
 Hon. Jeffrey H. Lynford
 Hon. Henry R. Silverman

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
 Ernesto L. Butcher, Chief Operating Officer
 Steven J. Coleman, Deputy Director, Media Relations
 John C. Denise, Audio Visual Supervisor, Marketing
 Michael P. DePallo, Director, Rail Transit
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 John J. Drobny, Director, Security Projects, Chief Operating Office
 Michael G. Fabiano, Chief Financial Officer
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 Lash L. Green, Director, Office of Business Diversity and Civil Rights
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Director, Human Resources
 Christopher M. Hartwyk, First Deputy General Counsel
 Andrew T. Hawthorne, Director, Marketing
 Howard G. Kadin, Esq., Law
 Kirby King, Director, Technology Services
 Louis J. LaCapra, Chief Administrative Officer
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Conor Lanz, Special Assistant to the Executive Director
 Richard M. Larrabee, Director, Port Commerce
 Jamie E. Loftus, Chief, Public and Government Affairs
 Stephen Marinko, Esq., Law
 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
 Patrick O'Reilly, Senior Advisor to the Chairman
 Desiree Ramos, External Relations Client Manager, Government and Community Affairs
 Brian W. Simon, Director, Government and Community Affairs, New York

Timothy G. Stickelman, Assistant General Counsel
Gerald B. Stoughton, Director, Financial Analysis
Robert A. Sudman, Director, Audit
Ralph Tragale, Assistant Director, Public Affairs, Aviation
Lillian D. Valenti, Director, Procurement
Michael L. Valletta, Assistant Director, Capital Construction Programs, Tunnels Bridges and
Terminals
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Robert E. Van Etten, Inspector General
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive
Director
Peter J. Zipf, Chief Engineer

Guest:

Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public
Michael L. Brendzel, Founder and CEO, BZL Associates
Margaret Donovan, Twin Towers Alliance
Richard Hughes, Twin Towers Alliance
Yvonne Garrett Moore, Member of the Public
Linda Williams, Member of the Public

The public meeting was called to order by Chairman Samson at 1:12 p.m. and ended at 1:46 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 September 22, 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 September 23, 2011. She reported further that the time for action by the Governors of New York and New Jersey expired at midnight on October 7, 2011.

Whereupon, the Board unanimously approved the Minutes of the meeting of September 22, 2011.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in public and executive sessions at its meeting on October 20, 2011, which included discussion of an item for the purchase of public liability insurance and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, 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 October 20, 2011, which included discussion of an item to authorize new leases at Newark Liberty International Airport as part of the Terminals A and B concessions program, 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 matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public and executive sessions at its meeting on October 20, 2011, which included discussion of an item to authorize early-action pre-construction work for the future development of the Intermodal Container Transfer Facility at the Greenville Yard-Port Authority Marine Terminal, and discussion of matters involving ongoing negotiation or reviews of contracts or proposals, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public and executive sessions at its meeting on October 20, 2011, which included discussion of several contracts and agreements in connection with the continued development of the World Trade Center site, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Nominating Committee

During the course of the meeting, the Nominating Committee submitted its report, and the report was received and is included with these minutes. The Nominating Committee also reported that the members of the Committee had unanimously consented to waive the requirement of two days' notice of the meeting.

ELECTION OF OFFICER

Chairman Samson announced that, in accordance with the provisions of the By-Laws, an election was in order to fill the vacancy in the position of Executive Director caused by the impending departure of Christopher O. Ward.

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

“On behalf of the Nominating Committee, I desire to report that at its meeting held earlier today, in accordance with the provisions of Article VII of the By-Laws, the Committee, by unanimous action, submits the nomination of Patrick J. Foye as Executive Director of The Port Authority of New York and New Jersey. Mr. Foye will begin his service on or about November 1, 2011.”

Pursuant to the foregoing report, Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Sartor, Schuber, Silverman and Steiner voting in favor, Patrick J. Foye was unanimously elected as Executive Director of the Port Authority. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

GREENVILLE YARD-PORT AUTHORITY MARINE TERMINAL – INTERMODAL CONTAINER TRANSFER FACILITY – EXPRESSRAIL PORT JERSEY – PHASE I PROJECT AUTHORIZATION – EARLY-ACTION PRE-CONSTRUCTION WORK

It was recommended that the Board authorize a Phase I project for certain early-action pre-construction work associated with the future development of an Intermodal Container Transfer Facility (ICTF) at the Greenville Yard-Port Authority Marine Terminal (Greenville Yard), located in Jersey City, New Jersey, at a total estimated cost of \$13.8 million. Phase II of the project, which would cover the construction of the ICTF, would be subject to future Board authorization.

On April 30, 2009, the Board authorized the Executive Director to, among other things, enter into all agreements necessary to acquire the approximately 100-acre Global Terminal Facility, located on the Port Jersey Channel in Bayonne/Jersey City, New Jersey, and to enter into a 37-year lease (Lease Agreement) with Global Terminal and Container Services, LLC for the 100-acre parcel and the adjacent approximately 70 acres of property at the Port Jersey-Port Authority Marine Terminal (Port Jersey) for the development of a new container terminal facility. Pursuant to the Lease Agreement, the Port Authority is obligated to design and construct an operational ICTF at Greenville Yard with a minimum capacity of 125,000 lifts annually by July 1, 2014. The fully built-out ICTF at Greenville Yard would have a maximum capacity of 250,000 lifts annually.

On October 21, 2010, the Board authorized planning and preliminary design work for an ICTF at Greenville Yard, at an estimated total amount of \$3 million. The work included: design development, including location, site planning and surveying; subsurface investigation and analysis; detailed track alignment; connectivity to adjacent or nearby facilities; additional property acquisition requirements; permitting requirements; storm drainage, water supply and electrical distribution systems; coordination with tenants and utilities; construction staging; and cost estimates.

The second phase of the ICTF project, which would be the subject of future Board authorization, would provide for the construction of approximately 10,000 linear feet of working track, 32,000 linear feet of support track and switches, paved container transfer space, and infrastructure to support rail-mounted gantry cranes and rail operations. Under the proposed Phase I project, the working track and gantry crane area would be surcharged, in order to achieve acceptable subsurface soil conditions, allowing for construction of the ICTF to commence on schedule. Work would include demolition of asphalt pavement and removal of underground utilities, installation of dewatering devices, the placement of approximately 210,000 cubic yards of sand to consolidate the soil, sediment and erosion controls, and installation of settlement detection instruments.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Sartor, Schuber, Silverman and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a Phase I project for certain early-action pre-construction work associated with the future development of an Intermodal Container Transfer Facility at the Greenville Yard-Port Authority Marine Terminal, at a total estimated cost of \$13.8 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 with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements related to the foregoing project as he deems in the best interest of the Port Authority, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINALS A AND B CONCESSIONS PROGRAM – NEW LEASE AGREEMENTS

It was recommended that the Board authorize the Executive Director to enter into five new concession leases for six locations, as part of the concessions program for Terminals A and B at Newark Liberty International Airport (Airport). This stage of the concessions program would cover the leasing of approximately 3,009 square feet of space in Terminals A and B for the operation of various concession establishments.

On July 26, 2007, the Board authorized the Executive Director to enter into an agreement with Westfield Concessions Management, LLC (Westfield) for the management of the retail and food and beverage concessions at, and loading dock and storage facilities for, Terminals A and B at the Airport. The agreement was entered into for a seven-year term, which expires on August 31, 2014. The implementation of the concessions program is a multi-phase process. Phases One through Five of the program were authorized by the Board under separate actions from June 2008 through September 2010, which covered approximately 80,478 square feet of space in Terminals A and B for 65 concessions, including several newly created spaces under the Terminal B Modernization Project.

Each concessionaire would be obligated to pay the greater of a minimum annual guaranteed rent (MAG) or percentage rent based on the gross receipts of the concessionaire's operation. In addition, concessionaires would pay an additional promotion fee over the lease term. The concessionaires would be obligated to make an initial capital investment in connection with their occupancy of the leased premises, as well as a mid-term refurbishment investment. The Port Authority would retain the right to terminate the leases on 30 days' notice, without cause, in which event the Port Authority would be obligated to reimburse the concessionaires for their respective unamortized capital investments. The lease terms would be for five to seven years.

Specific material terms of the concessions leases are as follows:

HUGHES-BUNTING LLC d/b/a Tasti D-Lite – Lease ANC-304

Hughes-Bunting LLC d/b/a Tasti D-Lite would lease two locations totaling approximately 333 rentable square feet (rsf) of space in Terminal A for a food-and-beverage operation. The lease term would be for five years from the Date of Beneficial Occupancy (DBO), commencing on or about August 29, 2012. The aggregate rental over the lease term would be approximately \$802,655 in MAG, in addition to the promotion fee.

THE GROVE, INC. d/b/a Jersey Mike's and Manchu Wok – Lease ANC-305

The Grove, Inc. d/b/a Jersey Mike's and Manchu Wok would lease approximately 1,161 rsf of space in Terminal A for a food-and-beverage operation. The lease term would be for seven years from the DBO, commencing on or about September 28, 2012. The aggregate rental over the lease term would be approximately \$2,996,000 in MAG, in addition to the promotion fee.

ILJ NEWARK, LLC d/b/a Tech Interaction – Lease ANC-306

ILJ Newark, LLC d/b/a Tech Interaction would lease approximately 781 rsf of space in Terminal A for a specialty retail operation. The lease term would be for five years from the DBO, commencing on or about August 29, 2012. The aggregate rental over the term of the lease would be approximately \$300,000 in MAG, in addition to the promotion fee.

THE GROVE, INC. d/b/a Auntie Anne’s – Lease ANC-307

The Grove, Inc. d/b/a Auntie Anne’s would lease approximately 169 rsf of space in Terminal A for a food-and-beverage operation. The lease term would be for five years from the DBO, commencing on or about September 28, 2012. The aggregate rental over the lease term would be approximately \$1,338,750 in MAG, in addition to the promotion fee.

HEALTHY FOOD CONCEPTS, LLC d/b/a Voyage – A Travel Experience – Lease ANC-308

Healthy Food Concepts, LLC d/b/a Voyage – A Travel Experience would lease approximately 565 rsf of space in Terminal B for a specialty retail operation. The lease term would be for seven years from the DBO, commencing on or about August 29, 2012. The aggregate rental over the lease term would be approximately \$315,000 in MAG, in addition to the promotion fee.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Sartor, Schuber, Silverman and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into the five concession lease agreements set forth above, for a total of approximately 3,009 square feet of space in Terminals A and B at Newark Liberty International Airport, substantially in accordance with the terms outlined to the Board; and it is further

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

**PORT AUTHORITY BUS TERMINAL – 20X SQUARE ASSOCIATES, LLC –
AMENDMENT OF THE EXCLUSIVITY AGREEMENT TO DEVELOP THE
AIR RIGHTS ABOVE THE NORTH WING**

It was recommended that the Board authorize the Executive Director to enter into an amendment to the North Wing Exclusivity Agreement (Exclusivity Agreement) between the Port Authority and 20X Square Associates LLC (20X Square), a joint venture of Vornado Realty, L.P. and Lawrence Ruben Company, Inc., for the development, construction and operation of an office tower above the North Wing of the Port Authority Bus Terminal (PABT), to extend, retroactively from August 8, 2011 through February 6, 2012, the Exclusivity Agreement, as amended.

On April 25, 2007, the Board authorized the Executive Director to resume negotiations with 20X Square for the development of the air rights above the North Wing of the PABT and to enter into the Exclusivity Agreement for a 180-day period, with a Port Authority option to extend the Exclusivity Agreement for an additional 90-day period. The Exclusivity Agreement granted exclusive rights to 20X Square to negotiate a deal for the development of the air rights above the PABT.

On December 18, 2007, the Board authorized the Executive Director to execute a term sheet (Term Sheet) for a ground lease for the development of an office tower above the PABT North Wing and renovations to the retail space in the North Wing. The Term Sheet also extended the Exclusivity Agreement for six months, so that the parties could enter into definitive agreements. Since that time, the Board has authorized several extensions to the Exclusivity Agreement, the last of which the Board authorized on May 18, 2010 and which expired on August 7, 2011

Due to the economic downturn, the business terms and capital structure previously negotiated for the development of the office tower above the PABT were no longer economically feasible for 20X Square, and the parties suspended negotiation regarding the proposed project. 20X Square recently represented to the Port Authority that it has secured an equity partner to help fund the PABT development project. It is anticipated that, if the parties come to agreement on terms, a term sheet for the development of the office tower project would be brought to the Board for authorization.

Extending the exclusivity period to negotiate the terms of the PABT development project above the North Wing would provide the Port Authority with the opportunity to complete negotiations with 20X Square on key issues and enable the Port Authority to have the improvements to the North Wing funded directly by 20X Square, thereby minimizing the impact to the Port Authority's Capital Plan.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an amendment of the North Wing Exclusivity Agreement between the Port Authority and 20X Square Associates, LLC for the development, construction and operation of an office tower above the North Wing of the Port Authority Bus Terminal, dated as of March 22, 2007, as the same has been amended, to extend the term of the agreement, retroactively, from August 8, 2011 through February 6, 2012, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the form of the foregoing amendment shall be subject to the approval of General Counsel or his authorized representative.

PORT AUTHORITY SUSTAINABILITY PROGRAM – EXERCISE OF RENEWAL OPTIONS FOR PROFESSIONAL ADVISORY SERVICES TO SUPPORT THE IMPLEMENTATION OF ENVIRONMENTAL INITIATIVES AND CLEAN ENERGY PROJECTS

It was recommended that the Board authorize the Executive Director to exercise the second of two one-year renewal options with respect to a total of five Port Authority contracts (collectively, the Contracts) with the following entities: (1) CantorCO2e, L.P./Native Energy, Inc./Weston Solutions, Inc.; (2) Blue Source LLC/Henningson, Durham & Richardson Architecture and Engineering, P.C.; (3) Stockholm Environment Institute-US; (4) The National Climate Trust; and (5) Transystems (formerly E.H. Pechan & Associates) (collectively, the Consultants), at an aggregate amount of \$350,000, for the continued retention of professional advisory services to support the implementation of Port Authority clean energy and environmental programs, including support for environmental and energy projects that emphasize emission reductions, energy efficiency, and operational cost savings.

To assist the Port Authority with its environmental and energy policy goals, consistent with the Port Authority's Environmental Sustainability Policy, at its meeting of October 23, 2008 the Board authorized the Executive Director to enter into the Contracts. On March 25, 2010, the Board authorized the exercise of the first renewal option for the Contracts. In March and June 2011, the Executive Director authorized the extension of the Contracts, for term only, through October 2011, to ensure the continued availability of these services pending Board authorization to exercise the second renewal option. During the contract period, the Consultants have assisted Port Authority staff in undertaking a variety of environmental initiatives, consistent with the Environmental Sustainability Policy adopted by the Board at its meeting of March 27, 2008 and other Board-authorized environmental programs and initiatives, including facilitating the implementation of clean energy projects in the New York/New Jersey region and enhancing the awareness of the Port Authority's employees, customers and tenants regarding the impact of their day-to-day activities on the environment.

Under the proposed renewal, the Consultants also would assist the Port Authority in facilitating the implementation of several small projects, valued at up to \$750,000 in total, that promote energy, fuel, and water efficiency, to reduce total resource consumption at Port Authority and tenant facilities. Projects currently under consideration at the Port Authority's New York facilities include a utility monitoring project and a water reuse and treatment project. Projects currently under consideration at the Port Authority's New Jersey facilities include a recycling study, which potentially may generate a revenue stream, and an evaluation of "green" roofing materials in conjunction with solar panels.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to exercise the second of two one-year renewal options with respect to a total of five Port Authority contracts with the following entities: (1) CantorCO2e, L.P./Native Energy, Inc./Weston Solutions, Inc.;

(2) Blue Source LLC/Henningson, Durham & Richardson Architecture and Engineering, P.C.; (3) Stockholm Environment Institute-US; (4) The National Climate Trust; and (5) Transystems (formerly E.H. Pechan & Associates), at an aggregate amount of \$350,000, for the continued retention of professional advisory services to support the implementation of Port Authority clean energy and environmental programs; and it is further

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

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR TRANSIT HALL ARCHITECTURAL FINISHES AND INCREASES IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION MANAGEMENT SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Lanmark Group Inc., for Transit Hall architectural finishes work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$9,539,960, inclusive of an eight-percent allowance for extra work and clause work; (2) increase, by an estimated amount of \$700,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and (3) increase, by an estimated amount of \$800,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center complex prior to September 11, 2001, and ensure the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed contract includes all required labor, material and equipment to perform waterproofing and painting of all steel, excluding the Oculus, and to furnish and install flooring, overhead coiling doors and specialty items in support of trade contractors constructing the 400,000 square-foot multi-level Transit Hall.

The recommended award is to the lowest-price proposer, Lanmark Group, Inc., which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub trade contract was procured pursuant to the procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. Through September 2011, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$700,000, and an increase pursuant to a companion item being advanced at this meeting, a total of \$405.7 million will have been authorized. Approximately \$331.8 million of that amount has been expended to date.

On July 23, 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance

of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathtub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to best position the agency in attaining competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner would provide for the development, management and supervision of this construction trade package. Including the requested increase of \$800,000, and an increase pursuant to a companion item being advanced at this meeting, a total of \$132.8 million will have been authorized. Approximately \$41.3 million of that amount has been expended to date.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Lanmark, Group Inc., for Transit Hall architectural finishes work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$9,539,960, inclusive of an eight-percent allowance for extra work and clause 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, by an estimated amount of \$700,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$800,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project; 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.

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR TRANSIT HALL SITE MAINTENANCE AND OPERATIONS AND INCREASES IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION MANAGEMENT SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Manhattan Business Interiors, Inc. d/b/a MBI Group (MBI Group), to perform site maintenance and hoist operations work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$18,283,271, inclusive of an eight-percent allowance for extra work; (2) increase, by an estimated amount of \$1.2 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and (3) increase, by an estimated amount of \$1.3 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center complex prior to September 11, 2001, and ensure the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed contract includes all required labor, material and equipment to perform cleaning operations, debris removal, selective demolition, temporary protection and hoist operations in support of trade contractors constructing the 400,000-square-foot multi-level Transit Hall.

The recommended award is to the lowest-price proposer, MBI Group, which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub trade contract was procured pursuant to the procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. Through September 2011, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$1.2 million, and an increase pursuant to a companion item being advanced at this meeting, a total of \$405.7 million will have been authorized. Approximately \$331.8 million of that amount has been expended to date.

On July 23, 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance

of two major contracts to procure all trades needed to construct the Transit Hall in the East Bath tub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to best position the agency in attaining competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner would provide for the development, management and supervision of this construction trade package. Including the requested increase of \$1.3 million, and an increase pursuant to a companion item being advanced at this meeting, a total of \$132.8 million will have been authorized. Approximately \$41.3 million of that amount has been expended to date.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Manhattan Business Interiors, Inc. d/b/a MBI Group, to perform site maintenance and hoist operations work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$18,283,271, inclusive of 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, by an estimated amount of \$1.2 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$1.3 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project; 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.

CONSOLIDATED BONDS – AUTHORIZATION OF SALE FOR WORLD TRADE CENTER PURPOSES

In 2006, approximately \$702 million of New York Liberty Bonds was allocated to the redevelopment of One World Trade Center and the World Trade Center retail. Since the New York Liberty Bond Program expires on December 31, 2011, it is necessary to execute the issuance of these Liberty Bonds prior to year-end, in order to benefit from the lower-cost tax-exempt financing for a portion of the construction costs for One World Trade Center.

Recently, J.P. Morgan presented the Port Authority with an innovative concept for the issuance of these Liberty Bonds. Under this concept, the Liberty Bonds would be issued on a negotiated basis in the capital markets through the New York State Liberty Development Corporation (LDC). The LDC would use the Liberty Bond proceeds to acquire a series of Consolidated Bonds issued on a private placement basis by the Port Authority, that would be issued in the same principal amount and with the same maturity structure and interest rate as the Liberty Bonds. In turn, the Port Authority would apply the bond proceeds to a portion of the construction costs of One World Trade Center. Payment of the debt service on this series of Consolidated Bonds would provide the cash flow for the LDC to pay debt service on the Liberty Bonds, and the Liberty Bonds would be secured through the LDC's ownership of this series of Consolidated Bonds, for the benefit of the holders of the Liberty Bonds. The effect of this transaction would be to provide approximately \$702 million of construction financing for One World Trade Center at a lower cost than through the issuance of Federally taxable Consolidated Bonds.

Consistent with the Port Authority's long-standing practice, because J.P. Morgan proposed this concept, it would serve as senior managing underwriter for the transaction.

Prior to the scheduling by an Authorized Officer of the issuance of these series, such Authorized Officer would review such proposed issuance with the Chairman of the Committee on Finance and, to the extent practicable, the other members of the Committee.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Sartor, Schuber, Silverman 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 an Authorized Officer (as defined in the resolutions of the Port Authority pertaining to the establishment and issuance and sale of Consolidated Bonds, One Hundred Seventieth Series through Consolidated Bonds, One Hundred Seventy-sixth Series, as amended) is authorized to take any and all action which the Committee on Finance has been authorized, for and on behalf of the Port Authority, to take under such resolutions in connection with the issuance and sale of up to an additional \$702 million in total aggregate principal amount of Consolidated Bonds, on a private placement basis, for purposes of capital expenditures in connection with One World Trade Center, to the New York State Liberty Development Corporation, as part of the New York State Liberty Development Corporation's issuance of a like principal amount of New York Liberty Bonds, with J.P. Morgan as senior managing underwriter; and it is further

RESOLVED, that in addition to the foregoing, an Authorized Officer (as defined in the resolutions of the Port Authority pertaining to the establishment and issuance and sale of Consolidated Bonds, One Hundred Seventieth Series through Consolidated Bonds, One Hundred Seventy-sixth Series, as amended) is authorized, for and on behalf of the Port Authority, to take any and all action to effectuate the issuance by the New York State Liberty Development Corporation of the New York Liberty Bonds consistent with the foregoing report, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith; and it is further

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

THE WORLD TRADE CENTER – EAST SIDE SITE DEVELOPMENT PLAN – AGREEMENTS AND RELATED DOCUMENTS – TOWER 4 LIBERTY BONDS UPDATE

On August 26, 2010, as supplemented on November 18, 2010 and March 29, 2011, the Board authorized the Executive Director to take any and all action to effectuate the transactions between the Silverstein (SPI) net lessees of Towers 2, 3 and 4 and the Port Authority, consistent with the report to the Board with respect to the effectuation of the March 25, 2010 development plan for the east side of the World Trade Center (WTC) site. As part of that process, construction and lease-up of Tower 4 (T4) was anticipated to be funded from financial sources that included up to approximately \$1.365 billion of Liberty Bonds, with the Port Authority to provide credit support for that portion of the debt service on these Liberty Bonds not covered by the rent payable by the City of New York (NYC) under the City T4 Space Lease for certain office space in T4.

Documentation for the WTC East Side Site Development Plan transactions was completed by the Port Authority, the State of New York (NYS), NYC and SPI on December 16, 2010. In anticipation of the completion of that documentation, a preliminary Official Statement was released to the municipal capital markets on November 30, 2010 with respect to approximately \$1.308 billion of T4 Liberty Bonds (with approximately \$60 million of Liberty Bonds previously allocated to T4 being held for future issuance for T4 construction contingencies, and to the extent not so issued, then to be allocated to Tower 3). However, due to weakness in the municipal capital markets resulting from the sudden and significant cash outflow from municipal bond funds, and a general investor lack of confidence in the long end of the municipal capital markets, maturities at the longer end of the curve were pricing at unattractive levels, with limited investor interest. As such, the target for the sale of the T4 Liberty Bonds was moved to the first quarter of 2011.

During the first quarter of 2011, interest rates at the long end of the curve and market absorption in the municipal capital markets continued to worsen, precluding the issuance of the T4 Liberty Bonds under the authorized structure. Consequently, based on advice of the Goldman Sachs/JPMorgan Chase underwriting team, the proposed T4 Liberty Bonds were restructured into two series - a variable-rate series with a principal amount of approximately \$350 million to \$375 million and a fixed-rate series for the balance, resulting in a reduced principal amount of up to \$1.275 billion (which, as a result of the reduced aggregate principal amount, provided for an increase to approximately \$90 million of Liberty Bonds previously allocated to T4 being held for future issuance for T4 construction contingencies, and to the extent not so issued, then to be allocated to Tower 3). As such, the fixed-rate series would have had the benefit of a shortened maturity structure and the variable-rate series would have had the potential to blend the overall interest rate for the two series down to the rate originally projected for the Tower 4 financing. This modified structure, together with a liquidity facility to be provided by JPMorgan Chase for the variable-rate series, was authorized at the March 29, 2011 Board meeting.

A preliminary Official Statement with respect to the fixed-rate series was released to the municipal capital markets on April 1, 2011. During this period, the Port Authority, SPI and the Goldman Sachs/JPMorgan Chase underwriting team received various inquiries from an investor in Consolidated Bonds questioning the Port Authority's rights under the Consolidated Bond Resolution to invest operating funds in support of the debt service on the T4 Liberty Bonds. This dialogue culminated in a letter from a law firm representing a group of unnamed beneficial

holders of Consolidated Bonds (or their investment advisors) advising that these holders had very deep concerns that the Port Authority's participation in the T4 Liberty Bond financing, as contemplated under the WTC East Side Site Development Plan, would constitute an actionable breach of their rights as holders of Consolidated Bonds and under the Consolidated Bond Resolution, based on the theory that the support payments to be made by the Port Authority in connection with the T4 Liberty Bonds constituted an unauthorized investment of Port Authority operating funds, and urging that the Port Authority restructure the transaction, to address their concerns, by putting the Port Authority support obligation on either a parity or subordinate basis to debt service on Consolidated Bonds. While the Port Authority and SPI, together with the Goldman Sachs/JPMorgan Chase underwriting team and counsel for the various parties, disputed the position set forth in that letter, the T4 Liberty Bonds sale was deferred again while the concerns raised in such letter were evaluated further.

Since that time, the Port Authority and SPI continued, without success, to attempt to resolve investors' concerns on a basis that would preserve the authorized structure for the T4 Liberty Bonds. Throughout this period, construction of T4 and other elements of the WTC East Side Site Development Plan continued, and construction costs have been funded by SPI on a temporary basis, through the use of insurance and other available funds. Recently, in a follow-up letter, the law firm expressed its clients' support for the T4 project and offered to work with the Port Authority and SPI to find a way to facilitate the T4 financing, consistent with its position with respect to the rights of the holders of Consolidated Bonds, suggesting the use of the Consolidated Bond Reserve Fund as the source for the Port Authority's support payments.

While the Port Authority and SPI, together with the Goldman Sachs/JPMorgan Chase underwriting team and counsel for the various parties, continue to disagree with the law firm and its clients' position on the authorized structure, the need to ensure the continuation of construction in the face of the diminishing sources of funding for T4 and the Tower 3 podium, as well as the desire to avoid a protracted dispute with the law firm and its clients that would only further delay the sale of the T4 Liberty Bonds, has led the Port Authority, SPI and the Goldman Sachs/JPMorgan Chase underwriting team to develop a financing structure for the T4 Liberty Bonds (the Subordinated Financing Structure) designed to resolve the dispute while preserving or improving the Port Authority's risk exposure under the authorized WTC East Side Site Development Plan.

In view of T4's construction progress over the last ten months, it is presently anticipated that the principal amount of the T4 Liberty Bonds would be reduced to approximately \$1.25 billion (which would now result in an increase to approximately \$114 million of the Liberty Bonds previously allocated to T4 being held for future issuance for T4 construction contingencies, and to the extent not so issued, then to be allocated to Tower 3). As a result of the improvements in the municipal capital markets, the issuance of the T4 Liberty Bonds is now planned on solely a fixed-rated basis, and is expected to result in an overall interest rate of approximately 5.25 percent per annum. However, if the actual interest rate for the T4 Liberty Bonds is substantially above that target rate, the principal amount of the T4 Liberty Bonds to be issued would be reduced, to preserve the option to issue a portion of the T4 Liberty Bonds at a future date on a variable-rate basis.

Under the Subordinated Financing Structure, the Port Authority would not fund payments of debt service on the T4 Liberty Bonds as an investment of operating funds, but rather as a special obligation of the Port Authority payable from "Net Revenues" (as defined below)

deposited to the Consolidated Bond Reserve Fund, and in the event such Net Revenues are insufficient therefor, from other moneys of the Port Authority legally available for such payments when due. This would be the same source of payment traditionally associated with the Port Authority Commercial Paper Program, Variable Rate Master Notes and Versatile Structure Obligations.

“Net Revenues,” solely for these purposes would, with respect to any date of calculation, be the revenues of the Port Authority pledged under the Consolidated Bond Resolution and remaining after (i) payment or provision for payment of debt service on Consolidated Bonds, as required by the applicable provisions of the Consolidated Bond Resolution; (ii) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve 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 Port Authority’s payments of debt service on the T4 Liberty Bonds would not be payable from the General Reserve Fund, and the payment thereof would be subject in all respects to payment of debt service on Consolidated Bonds, as required by the applicable provisions of the Consolidated Bond Resolution and payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes. The Port Authority’s obligation with respect to the payment of debt service on the T4 Liberty Bonds under the Bond Payment Agreement would not create any lien on, pledge of, or security interest in, any revenues, reserve funds or other property of the Port Authority.

In lieu of the additional financial support to be provided by the Port Authority for T4 under the authorized structure with respect to the payment of operating expense deficits, certain capital expenditures upon completion of T4, and limited construction and leasing overruns, SPI would be permitted to defer the payment of net rent under the T4 Net Lease and instead apply this source of funds toward the payment of these items. The deferral of net rent under the T4 Net Lease would be treated the same as the tenant support payments provided for under the authorized structure and would accrue interest at the same rate as advances of financial support would under such structure (i.e., 7.5 percent per annum, compounding semi-annually). This component of the proposed structure is substantively similar to the authorized structure, in which the Port Authority was funding operating shortfalls in T4, including the payment of full rent under the T4 Net Lease.

Furthermore, because the additional financial support provided by the Port Authority under the proposed structure for the payment of operating expense deficits, certain capital expenditures, and certain construction and leasing overruns would now be limited by virtue of the fixed amount of net rent that SPI may defer under the T4 Net Lease, SPI would also have the right to defer, in whole or in part, the 12-month “free rent” period under the Port Authority’s T4 space lease, with SPI permitted to use the resulting cash flow from such net rent payments from the Port Authority to pay such operating expense deficits, capital expenditures, and construction and leasing overruns. If SPI defers application of any monthly free rent amount to pay such operating expense deficits, capital expenditures and construction and leasing overruns, then such deferred monthly free rent amount will increase, for each month that it is not applied by SPI to the Port Authority’s T4 space lease rental obligation, by an amount equal to one-twelfth of the product of such deferred monthly free rent amount and 7.5 percent, compounded semi-annually. If SPI does not so apply the total aggregate deferred monthly free rent amounts during the initial term of the Port Authority’s T4 space lease to the Port Authority’s rental payment obligation, then SPI shall be required to pay to the Port Authority the remaining balance of the deferred

monthly free rent amounts (as increased as aforesaid) not so applied to the Port Authority's rental payment obligation at the expiration of the Port Authority's T4 space lease.

Finally, SPI would have the right to elect to defer the payment of up to \$40 million (escalated by annual increases in the consumer price index) of net rent under the T4 Net Lease and reserve such funds to pay future operating expense deficits, certain capital expenditures, and certain leasing cost overruns. The reserve would be invested in a manner approved by the Port Authority, and all earnings thereon, plus an additional fifty basis points per annum, would be paid by SPI to the Port Authority while the reserve is outstanding. At such time as funds in the reserve are released and applied to such operating expense deficits, capital expenditures, and leasing overruns, such amounts so released would accrue interest at 7.5 percent per annum, compounded semi-annually.

As an overall matter, the proposed Subordinated Financing Structure preserves each of the principal elements of the structure authorized on August 26, 2010, as supplemented on November 18, 2010 and March 29, 2011, and in several ways, as a result of the capping of the Port Authority's support obligations for T4 operating deficits, certain capital expenditures, and certain construction and leasing overruns, improves the transaction for the Port Authority by reducing the Port Authority's overall exposure. In addition, the "cash trap" for T4 and Tower 3, provided for in the authorized structure, would continue to apply and ensure that (i) project cash flow from Tower 3 and T4 is protected first for necessary building purposes, then to be used to pay any deferred net rent under the T4 Net Lease due to the Port Authority and to permit the application or payment of any deferred monthly free rent amounts under the Port Authority's T4 space lease, and to repay the public support payments (with the exception of the capital contributions from NYS and NYC) for Tower 3, and only then to SPI; and (ii) SPI has a significant incentive to refinance and remove the restrictions on the use of Tower 3 and T4 cash flow. Additionally, no T4 project cash flow would be released to SPI as long as any amounts remain on deposit in the above-described reserve.

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

RESOLVED, that the authorizations set forth in the August 26, 2010 minutes, entitled "*The World Trade Center – East Side Site Development Plan*," as supplemented, are further supplemented to include the effectuation of the transactions described therein on a basis consistent with the foregoing report to the Board.

DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER SITE DEVELOPMENT – AGREEMENTS WITH THE HELLENIC ORTHODOX CHURCH ST. NICHOLAS

It was recommended that the Board authorize the Executive Director to: (1) enter into agreements with the Hellenic Orthodox Church St. Nicholas (Church), consistent with the provisions of a non-binding term sheet between the Port Authority and the Church, under which the Church would transfer to the Port Authority property located at 155 Cedar Street (which was the site of the Church's building before it was destroyed on September 11, 2001), in exchange for the Port Authority transferring to the Church a portion of the property located at 130 Liberty Street, subject to the conveyance of the 130 Liberty Street property from the Lower Manhattan Development Corporation (LMDC) to the Port Authority; (2) execute any other agreements necessary to effectuate the foregoing transaction; and (3) increase the amounts of existing design and construction contracts previously awarded in connection with the development of the World Trade Center (WTC) Vehicular Security Center (VSC) and Liberty Park, in order to accommodate the construction of a new church building on a portion of 130 Liberty Street, in an aggregate amount of up to \$25 million, including associated staff costs estimated at \$2 million.

On October 14, 2011, the Port Authority and the Church entered into the term sheet with respect to the transfer from the Church to the Port Authority of total fee interest in the real property located at 155 Cedar Street, and the transfer by the Port Authority to the Church of a portion of the real property located at 130 Liberty Street (Exchange Parcel), subject to the conveyance of the 130 Liberty Street property from the LMDC to the Port Authority, as part of the property transfers required in connection with the redevelopment of the WTC site. The development and execution of the term sheet was the result of mediation of the dispute between the parties by the New York Governor's office, and followed the completion of a four-month independent engineering study commissioned by the Port Authority and the Archdiocese of the Church, which concluded that the new church building could be built on the 130 Liberty Street site with minor modifications to the original plan for construction of the VSC and with no impact on the WTC construction schedule.

The terms governing the Port Authority-Church property exchange transactions would include the following:

- The Church would transfer to the Port Authority the total fee interest in 155 Cedar Street.
- The Port Authority would transfer to the Church the fee interest in the Exchange Parcel, subject to the Port Authority's obtaining ownership in the real property at 130 Liberty Street from the LMDC.
- The Port Authority would retain possession of the Exchange Parcel for purposes of subsurface construction. Certain defined minor modifications would be made to the VSC by the Port Authority to accommodate the construction of a new church building by the Church, including the construction of a concrete mat on top of the VSC roof. The design of the concrete mat would be based on plans and specifications provided by the Church, and subject to reasonable Port Authority approval. Once constructed, the maintenance of the concrete mat would be the responsibility of the Church. The Church would be required to design and construct the new church building in a manner consistent with the

requirements of the VSC, including the Security Performance Criteria (SPC) for the VSC and applicable building code requirements.

- The Church would provide the Port Authority with an easement providing exclusive access to the Exchange Parcel for excavation and construction in connection with the redevelopment of the WTC site. The Port Authority would provide the Church with a non-exclusive easement to provide the Church with access to the Exchange Parcel for construction purposes, and an easement for utility access.
- The Port Authority would retain such possession of the Exchange Parcel as is necessary to build the VSC and Liberty Park, with the below-grade construction of the VSC to be completed on or about December 31, 2013, with a 180-day grace period. The Church would coordinate its schedule for construction of the new church building with the construction of the VSC and Liberty Park.
- The Church’s design, construction and operations on the Exchange Parcel would be subject to the Port Authority’s SPC for the VSC, with the Church required to develop a security operations plan in accordance with security requirements for the WTC site.
- In constructing the new church building, the Church would coordinate construction and site access with all other projects in the area of the WTC site. The Church’s operation of the new church building would be in accordance with applicable security guidelines for the WTC site. The Church’s use of the Exchange Parcel would be subject to certain restrictions.
- The Church and the Port Authority each would agree to waive and release all claims, and the Church would dismiss, with prejudice, all legal actions it has brought against the Port Authority and its contractors.

In addition, it was recommended that the Board authorize increases to the following existing WTC site construction contracts and consultant agreements that are expected to be utilized to perform the additional work necessary to accommodate the construction of the new church building on the Exchange Parcel:

Firm	Scope of Work
W&W Steel Co.	Structural Steel
Navillus Contracting Inc.	Concrete
Rael Automatic Sprinkler	Fire Protection
Pace Plumbing Corp.	Plumbing
ASM Mechanical System	Ventilation
WDF, Inc.	Heating, Air Conditioning and Controls
Zwicker Electric	Electrical
Liberty Security Partners	Design/Engineering
Downtown Streetscape Partners	Design/Engineering
Tishman Construction Corp.	Construction Management

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into any and all agreements with the Church necessary to effectuate the property exchange transactions described in and consistent with the foregoing report; and (2) increase the amounts of existing design and construction contracts previously awarded in connection with the development of the World Trade Center Vehicular Security Center and Liberty Park, in order to accommodate the construction by the Church of a new church building on a portion of the property at 130 Liberty Street, in an aggregate amount of up to \$25 million, including associated staff costs estimated at \$2 million; all substantially in accordance with the terms outlined to the Board; and it is further

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

TRIBUTE TO STANLEY E. GRAYSON

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner Stanley E. Grayson upon his retirement from the Board.

WHEREAS, from his appointment by New York Governor David A. Paterson in 2008, Stanley E. Grayson has given tirelessly of his time, talent and experience to further the mission and goals of the Port Authority; and

WHEREAS, Stan Grayson has provided support and guidance in the advancement of the agency's multi-billion Capital Plan ensuring the Port Authority's mission to improve regional mobility of people and goods, as well as fostering economic growth and opportunity in the region through projects that will serve the region for decades to come, including the modernization of airport terminals, the acceleration of the Port Intermodal Rail Development Program; the PATH Modernization Program, and planning for the development of the future effectiveness of the Bayonne and Goethals Bridges; and

WHEREAS, as Vice Chairman of the Port Authority from May 2010 to September 2011, Stanley E. Grayson served with great pride and distinction as the agency continued to make great strides toward the redevelopment of Lower Manhattan and the World Trade Center site, with the agency delivering on its commitment to the opening of the National September 11th Memorial on September 11, 2011, the tenth anniversary of the terrorist attacks; and

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

WHEREAS, Stanley E. Grayson has been instrumental in the advancement of numerous security initiatives, to ensure the safety and security of the agency's facilities, so that the public and commerce may have the benefit of dependable, trustworthy passage throughout the region; and

WHEREAS, during his tenure on the Board, Stanley E. Grayson served with great distinction as Vice Chairman of the Port Authority, Vice Chairman of the Committee on Operations, Chairman of the Governance and Ethics Committee, Vice Chairman of the Committee on Capital Programs/Agency Planning, and as a member of the Audit and Construction Committees and the World Trade Center Redevelopment Subcommittee.

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to the Honorable Stanley E. Grayson their sincere appreciation for his leadership and 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 the Honorable Stanley E. Grayson as a token of the high esteem in which he is held by the Board and staff alike.

TRIBUTE TO CHRISTOPHER O. WARD

The following resolution was unanimously adopted to recognize Executive Director Christopher O. Ward for his service to The Port Authority of New York and New Jersey.

WHEREAS, from the time he returned to the Port Authority in May 2008 as Executive Director, after previously serving as the agency's Director, Port Redevelopment Program and then Chief of Corporate Planning and External Affairs from April 1997 to April 2002, Christopher O. Ward has led the agency with great pride and has given the full measure of his knowledge, skill, and ability to further the mission and goals of the Port Authority and the region it serves; and

WHEREAS, Chris Ward has managed the agency's finances by maintaining zero growth operating budgets for three consecutive years and reducing the agency's staff headcount to its lowest levels in over 40 years in order to allow for continued capital spending to advance the agency's priority projects and maintain the agency's facilities in a state of good repair during a period of significant economic downturn and uncertainty; and

WHEREAS, Christopher Ward has been instrumental in the redevelopment of the World Trade Center site, including: construction and delivery of the National September 11 Memorial on the tenth anniversary of the attacks of September 11, 2001; completion of the World Trade Center East Side Development Plan with Silverstein Properties, Inc. that will ensure the full restoration of the World Trade Center site and the phased development of the commercial office space to better meet the market; and the positioning of One World Trade Center for commercial success with the signing of Condé Nast to a one million square feet lease; and

WHEREAS, Chris Ward has led the agency in the advancement of a multi-billion dollar Capital Program, including the modernization of airport terminals and infrastructure, such as the expansion of Terminal 4 to replace the oldest terminal at John F. Kennedy International Airport and the rehabilitation of the Bay Runway at JFK, the region's longest and busiest runway; Newark Liberty International Airport's Terminal B; a major modernization of the Port Authority Trans-Hudson (PATH) rail system; a major redevelopment arrangement for the George Washington Bridge Bus Station; planning for a new Goethals Bridge; and maintaining the agency's facilities in a state of good repair to ensure that the Port Authority's mission to improve regional mobility of people and goods as well as foster economic growth and opportunity in the region continues; and

WHEREAS, throughout his tenure as Executive Director Christopher O. Ward worked towards maintaining the competitive position of the Port of New York and New Jersey by overseeing a series of strategic investments, acquisitions and public-private partnerships in furtherance of the expansion and modernization of the agency's port commerce facilities, the expansion of the Port Newark Container Terminal, and the acquisition and expansion of the Global Marine Terminal at the revitalized Port Jersey-Port Authority Marine Terminal; and

WHEREAS, Chris Ward recognized the importance of conducting the Port Authority's operations in an environmentally responsible manner and has supported agency programs and policies that promote a sustainable environment; and

WHEREAS, Chris Ward has provided support to ensure continued investment in the safety and security of the agency's facilities, so that the public and commerce may be ensured dependable, trustworthy and safe passage throughout the region; and

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby recognize Christopher O. Ward 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 Christopher O. Ward.

Whereupon, the meeting was adjourned.

Secretary