

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**COMMITTEE ON OPERATIONS  
MINUTES OF SPECIAL, INTERIM MEETING  
Tuesday, June 22, 2010**

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**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**COMMITTEE ON OPERATIONS  
MINUTES OF SPECIAL, INTERIM MEETING**

**225 Park Avenue South**

**New York, NY**

**Tuesday, June 22, 2010**

**PRESENT:**

Hon. Anthony R. Coscia, Chair

Hon. Virginia S. Bauer

Hon. H. Sidney Holmes III

Hon. Raymond M. Pocino

Hon. Anthony J. Sartor

Hon. David S. Steiner

Committee Members

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

A. Paul Blanco, Chief Financial Officer

Ernesto L. Butcher, Chief Operating Officer

Steven J. Coleman, Assistant Director, Media Relations

Claudia Dickey, Assistant Director, Management and Budget

John C. Denise, Audio Visual Supervisor, Public Affairs

Michael P. DePallo, Director, Rail Transit

Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director

John J. Drobny, Director, Security Projects

Michael G. Fabiano, Acting Chief Technology Officer

Michael A. Fedorko, Director, Public Safety/Superintendent of Police

Michael B. Francois, Chief, Real Estate and Development

Richard Friedman, Manager, Special Projects, Office of Environmental and Energy Programs

Kevin N. Georges, Leadership Fellow, Human Resources

Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs

Linda C. Handel, Deputy Secretary

Mark D. Hoffer, Senior Counsel, Law

Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs

Howard G. Kadin, Esq., Law

John P. Kelly, Director, Media Relations

Victoria C. Kelly, Director, Tunnels, Bridges and Terminals

Kevin J. Kirchman, Director, Marketing and Special Events

Cristina M. Lado, Director, Government and Community Affairs  
Richard M. Larrabee, Director, Port Commerce  
Francis J. Lombardi, Chief Engineer  
Stephen Marinko, Esq., Law  
Ronald Marsico, Assistant Director, Media Relations, Public Affairs  
Michael G. Massiah, Director, Management and Budget  
James E. McCoy, Manager, Board Management Support, Office of the Secretary  
Sanjay S. Mody, Advisor to the Chairman  
Anne Marie C. Mulligan, Treasurer  
Joann S. Papageorgis, Manager, Transportation Revenue Program, Tunnels, Bridges  
and Terminals  
Steven A. Pasichow, Assistant Director, Office of Investigation  
Steven P. Plate, Director, World Trade Center Construction  
Desiree Ramos, External Relations Client Manager, Government and Community Affairs  
Alan L. Reiss, Deputy Director, World Trade Center Construction  
Timothy G. Stickelman, Assistant General Counsel  
Gerald B. Stoughton, Director, Financial Analysis  
Robert A. Sudman, Acting Comptroller  
Ralph Tragale, Assistant Director, Public Affairs, Aviation  
David B. Tweedy, Chief, Capital Programs  
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary  
Andrew S. Warshaw, Chief of Staff to the Executive Director  
Peter J. Zipf, Deputy Chief Engineer/Director of Engineering

Speakers:

James Harper, Sheet Metal Workers Union – Local 25  
John McAusland, General Counsel, Port Authority Police Benevolent Association, Inc.  
Robert Morris, First Vice-President, Port Authority Police Benevolent Association, Inc.

In view of the absence of a quorum at today's Board meeting, the Secretary reported that, pursuant to the Board's resolution of December 15, 1994, a special, interim meeting of the Committee on Operations was called in both public and executive sessions, at which the Committee took actions on these items for and on behalf of the Board.

The meeting was called to order in public session by the Chair at 1:44 p.m. and ended at 2:09 p.m. The Committee met in executive session prior to the public session.

**Action on Minutes**

The Secretary submitted for approval Minutes of the Board meetings of April 29, 2010 and May 18, 2010. 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 April 30, 2010 and May 19, 2010, respectively. She reported further that the time for action by the Governors of New York and New Jersey expired at midnight on May 14, 2010 and June 3, 2010, respectively.

Whereupon, the Committee unanimously approved the Minutes of the meetings of April 29, 2010 and May 18, 2010.

## **GEORGE WASHINGTON BRIDGE – MAIN SPAN UPPER-LEVEL STRUCTURAL STEEL REHABILITATION – PROJECT AUTHORIZATION**

It was recommended that the Board authorize a project for the rehabilitation of the structural steel on the upper level of the George Washington Bridge (GWB), at a total estimated project cost of \$199 million.

The GWB's original upper-level concrete deck was completed in 1931 and was replaced by a steel deck in 1978. This steel deck is supported by structural framing members that were built as part of the original bridge construction. The age of the structure, combined with the effects of de-icing salts and fatigue stresses related to the post-September 11, 2001 truck restrictions, which require that all truck traffic use the upper level, have resulted in accelerated wear of the deck and framing components. Federally mandated biennial inspections, performed as recently as 2009, have revealed numerous locations with varying degrees of wear that could result in future load restrictions if left unaddressed.

At its meeting on December 18, 2007, the Board authorized the expenditure of \$5.5 million for planning work, to include design services for the near-term structural steel rehabilitation of the GWB main span upper level and assessment of present-day truck loading, and performance of a life-cycle cost analysis for near- and long-term rehabilitation of the upper-level deck structure. An in-depth field inspection pursuant to that planning effort revealed that the steel deck and related framing components routinely reach allowable load capacity and are continually impacted by excessive repetitive stresses, resulting in cracks and related structural wear that are typically concentrated within six-foot-wide zones that cross the bridge roadway along each of the main-deck beams. In addition, the inspection revealed numerous localized deficiencies that must be addressed, including the need for drainage improvements and localized steel rehabilitation in other areas of the upper level.

The proposed project would provide for the replacement of those six-foot zones of existing steel deck and for the rehabilitation of the remaining areas, in order to maintain the upper-level roadway in a state of good repair and extend the useful life of the structure by 15 to 20 years. This project also would provide for the resurfacing of the westbound upper-level roadway, the installation of additional drainage scuppers to reduce corrosion by quickly removing run-off and the rehabilitation of finger joints.

Maintaining the GWB upper-level roadway in a state of good repair will promote an uninterrupted traffic flow at this critical interstate transportation link.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino, Sartor and Steiner voting in favor; none against:

**RESOLVED**, that a project, which shall include final design and construction, for the rehabilitation of the upper-level structural steel at the George Washington Bridge, at a total estimated project cost of \$199 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 and contracts for professional and advisory services 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 contracts and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

**BAYONNE BRIDGE – EVALUATION OF STRUCTURAL STEEL PRIORITY REHABILITATION – PLANNING AUTHORIZATION AND AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT**

It was recommended that the Board authorize: (1) planning and engineering services necessary to evaluate the need for priority rehabilitation of the structural steel for the Bayonne Bridge, at a total estimated cost of \$1.7 million; and (2) the Executive Director to enter into an agreement with Hardesty & Hanover, LLP to perform professional engineering services to support the work, in an amount not to exceed \$2.6 million, of which an amount not to exceed \$800,000 is being requested as part of this proposed planning authorization.

The Bayonne Bridge, which originally was opened for vehicular traffic in 1931, consists of a main span and two approaches, that are known as the New York Viaduct and the New Jersey Viaduct. The Port Authority performs federally mandated biennial inspections to identify locations that require repair, the most recent of which identified certain repairs that are required to the structural steel. Further, the bridge retains much of its original lead-based paint coating, which shows signs of significant deterioration, with the paint on the New York and New Jersey Viaducts considered to be the most deteriorated of the entire bridge span.

The proposed planning work would provide for a comprehensive inspection to identify necessary repairs and categorize them as short-term (to be performed within two to three years) or long-term (to be performed within ten years). Work would include field inspection, verification of identified priority repairs, analysis of repairs needed for the entire bridge (including categorization into short- or long-term repairs), environmental evaluation for remediation of the existing lead-based paint, construction staging and estimating, value engineering, constructability review and preliminary design. This work would ensure the continued structural integrity of the Bayonne Bridge while long-term options to address the limited navigational clearance issue are reviewed under a separate project planning effort.

Hardesty & Hanover, LLP, the highest-rated proposer in response to a publicly advertised Request for Proposals process, would be retained to assist with this planning effort, at a cost of up to \$800,000, under an agreement to support the design and implementation of these improvements. Authorization of additional work to support further planning and construction support, valued at approximately \$1.8 million, would be subject to further authorization, as part of future action(s) to implement these improvements.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino, Sartor and Steiner voting in favor; none against:

**RESOLVED**, that planning and engineering services, at a total estimated cost of \$1.7 million, to evaluate the need for priority rehabilitation of the structural steel for the Bayonne Bridge, be and they hereby are 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 enter into an agreement with Hardesty & Hanover, LLP to perform preliminary expert planning and engineering services in

connection with the foregoing planning effort, in an amount not to exceed \$800,000; 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 such other contracts and agreements as may be necessary to effectuate the foregoing planning effort, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

**GOETHALS BRIDGE – REHABILITATION OF HEATING, VENTILATION AND AIR CONDITIONING SYSTEM AND INSTALLATION OF FIRE ALARM AND FIRE SUPPRESSION SYSTEMS FOR ADMINISTRATION AND MAINTENANCE BUILDINGS – PROJECT AUTHORIZATION AND INCREASE IN AUTHORIZATION FOR CONTRACT AKG-274.085A**

It was recommended that the Board authorize: (1) a project for the completion of the rehabilitation of the heating, ventilation and air conditioning (HVAC) system and replacement of the fire alarm and fire suppression systems at the Goethals Bridge Administration and Maintenance Buildings, in an estimated total amount of \$28 million, including engineering, payments to contractors, allowances for extra work (if necessary) and net cost work, and administrative and financial expense; and (2) an increase of \$2.3 million in the amount of Contract AKG-274.085A with Yonkers Electric Contracting Corporation (Yonkers) for the construction of these building system improvements, from \$13.2 million to \$15.5 million.

The project would provide for the rehabilitation of the HVAC system and the installation of the fire alarm and fire suppression systems supporting the Goethals Bridge Administration and Maintenance Buildings. Under the project, new HVAC and heating and ventilation units are being installed, as well as dust collection and air filtration systems for shop areas and exhaust fans throughout both buildings. The new fire alarm system would provide a central fire alarm control panel, new Network Command Centers, new pull stations, smoke/heat detectors and audible/visual alarms throughout the two buildings. The fire suppression systems are being extended to protect additional work areas within the buildings and to comply with current code requirements.

In February 2007, the Executive Director authorized the award of Contract AKG-274.085A to Yonkers to rehabilitate the HVAC system and install the fire alarm and fire suppression systems, at an estimated total amount of \$10.8 million. The total project cost at the time of contract award was estimated at \$17.9 million.

In order to minimize the impacts of construction at this active facility, the work was phased into two work areas. In addition, application of fireproofing material and the removal of asbestos-containing and lead-coated material were completed during off hours. Despite the carefully planned sequencing of all work in accordance with applicable regulations, facility staff raised concerns, due to odors and debris during the demolition and fireproofing work. To address these concerns, the work was suspended for four months, during which time a revised construction plan was developed that divided the work into seven areas, allowing construction to proceed with significantly less workplace disturbance. In addition, unanticipated field conditions were encountered, including deteriorated cables, conduits and roof components, which were not included in the scope of work, and required replacement. The Chief Engineer previously authorized increases to the subject contract for additional extra work and net cost items, totaling approximately \$2.4 million. However, additional authorization is required to complete the project.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino, Sartor and Steiner voting in favor; none against:

**RESOLVED**, that a project for the completion of the rehabilitation of the heating, ventilation and air conditioning system and replacement of the fire alarm and fire suppression systems at the Goethals Bridge Administration and Maintenance Buildings, at an estimated total project cost of \$28 million, including engineering, payments to contractors, allowances for extra work (if necessary) and net cost work, and administrative and financial expense, 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 purchase and construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase by \$2.3 million the amount of Contract AKG-274.085A with Yonkers Electric Contracting Corporation for the construction of the foregoing building system improvements, from \$13.2 million to \$15.5 million; 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.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – CONTINENTAL AIRLINES, INC. – IN-LINE BAGGAGE SCREENING SYSTEM – LEASE ANA-170 – SUPPLEMENT**

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement to Lease ANA-170 with Continental Airlines, Inc. (Continental), providing for the installation of an in-line baggage screening system on an additional approximate one-half acre of land at the west end of Terminal C at Newark Liberty International Airport, commencing on or about July 10, 2010.

Continental would invest approximately \$100 million on the site, to build out and finish approximately 72,000 square feet of space to accommodate the in-line screening system and modify the existing baggage handling system throughout the terminal. The United States Department of Homeland Security, Transportation Security Administration (TSA) currently employs Explosive Detection System and Explosive Trace Detection equipment technology at the terminal. However, the in-line system would accommodate newer equipment that would improve the overall speed and efficiency of baggage screening for air travelers and re-commission valuable lobby space, now occupied by the stand-alone baggage screening system equipment.

The TSA would reimburse Continental for 90 percent of allowable costs, as defined by TSA guidelines for in-line installations. The reimbursement amount currently is estimated at \$80 million. The Port Authority would serve as a conduit between the TSA and Continental, whereby the Port Authority would draw from funds appropriated by the TSA for the project. Continental would be responsible for paying all costs up front and for submitting the appropriate invoices to the Port Authority for reimbursement. The Port Authority would transmit such funds to Continental as reimbursement only after such funds are received from the TSA. The Port Authority would be reimbursed by the TSA for certain staff costs associated with the administration of TSA grant monies, up to two percent of the total allowable project costs.

Under the proposed supplemental agreement, Continental would pay to the Port Authority a total guaranteed rent of approximately \$595,000, plus annual variable fees, consisting of airport service and other charges over the approximately 18-year term of the agreement, which would co-terminate with its existing Terminal C lease in March 2028.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino and Steiner voting in favor; none against; Commissioner Sartor recused:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a supplemental agreement to Lease ANA-170 with Continental Airlines, Inc., providing for the expansion of its leasehold at Terminal C at Newark Liberty International Airport, to accommodate the installation of a new in-line baggage screening system, substantially in accordance with the terms outlined to the Board; and it is further

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

**PORT AUTHORITY COMMERCIAL PAPER OBLIGATIONS – REPORT**

Prudent financial planning makes it desirable for the Authority to continue the authorization for commercial paper obligations that is presently scheduled to expire on December 31, 2010. Since its inception in 1982, and through its expansion into two series (Series A and Series B) in 1988, the Authority's commercial paper obligations have been an efficient means of providing for capital expenditures on an interim basis. Generally, as outstanding commercial paper notes approach authorized limits, such notes are refunded with other obligations of the Authority.

The proposed extension would provide for the issuance of commercial paper obligations through December 31, 2015, generally consistent with the Authority's current practices.

Currently, the aggregate principal amount of commercial paper notes, which may be outstanding at any one time is \$500 million, on the basis that the aggregate principal amount of Series A outstanding at any one time may not exceed \$300 million and the aggregate principal amount of Series B outstanding at any one time may not exceed \$200 million.

The principal of and interest on the commercial paper obligations of each series would continue to be a special obligation of the Authority payable from the proceeds of obligations issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes, or from certain specified net revenues deposited to the Consolidated Bond Reserve Fund, and in the event such proceeds or net revenues are insufficient therefor, from other moneys of the Authority legally available for such payments when due. The principal of and interest on the commercial paper obligations would not be payable from the General Reserve Fund, and the payment thereof would be subject in all respects to (1) payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; and (2) 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.

Commercial paper obligations of each series issued prior to the commencement of the issuance of commercial paper obligations of such series under today's recommended action and outstanding thereafter would continue to be subject to the Port Authority Commercial Paper Resolution, as adopted on May 26, 2005. While such previously issued commercial paper obligations are outstanding, their aggregate principal amount would be taken into account in determining the maximum aggregate principal amount of commercial paper obligations that could be issued under today's recommended action. Upon the commencement of the issuance of commercial paper obligations of each series under today's recommended actions, no further obligations of such series would be issued under the Port Authority Commercial Paper Resolution, as adopted on May 26, 2005.

Over the years, revolving credit facilities have been utilized to provide stand-by liquidity support for the payment of the Authority's commercial paper notes at maturity, if needed. However, a more cost effective approach in today's financial markets' climate may be for the Authority to independently provide that liquidity support for commercial paper notes to be issued under today's recommended actions. Ultimately, the decision for the Authority to provide

that liquidity support would be based on the rating agencies' acceptance of this approach and the maintenance of the current ratings for the commercial paper notes to be issued under today's recommended actions. In the event that a separate credit facility for either series of commercial paper notes is required to maintain the highest rating for those notes, the selection of the financial institution or institutions to provide those credit facilities would be based on a request for proposals process.

A financial institution serving as an exclusive dealer for each series of the Authority's commercial paper notes continues to be necessary to place such notes with investors. The selection of a separate dealer for each series would be based on a request for proposals process, which commenced in April 2010.

In view of the satisfactory services provided by JP Morgan Chase Bank (JP Morgan Chase), as the issuing and paying agent for the commercial paper notes of both series, JP Morgan Chase would be reappointed as such issuing and paying agent, generally, on the same terms and conditions currently in effect.

Additionally, the law firm of Orrick, Herrington & Sutcliffe LLP, which, together with General Counsel, has acted as bond counsel for commercial paper obligations since January 1988, would continue in such capacity, in connection with the Authority's continuing issuance of commercial paper obligations.

An authorized officer would also be authorized to take any action which such authorized officer deems appropriate to effectuate the issuance of commercial paper obligations, including those required for the Authority to independently provide liquidity support instead of entering into stand-by revolving credit facilities, to appoint and enter into agreements with one or more dealers and issuing and paying agents, and to enter into agreements with providers of stand-by revolving credit facilities, for the commercial paper notes to be issued under today's recommended actions. Any such agreements would contain terms and conditions not inconsistent with the extended authorization.

Public hearings, consistent with and to the extent provided by the public approval provisions of the Internal Revenue Code of 1986, were held on November 18, 2009, in connection with the Authority's current plan of financing, pursuant to public notices published on November 3, 2009, in *The New York Times* and in *The Star-Ledger*. In pertinent part, the public notices described various series of short, intermediate and long term obligations to be issued under such plan of financing, including Commercial Paper Obligations to be issued, under an amended and supplemented resolution of the Authority to be adopted prior to December 31, 2010, in one or more series but not in excess of a total aggregate principal amount of \$500 million outstanding at any one time. Various actions were previously taken by the Board under such plan of financing in connection with other obligations included therein on November 19, 2009.

## **PORT AUTHORITY COMMERCIAL PAPER OBLIGATIONS – RESOLUTION**

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes and Pocino voting in favor; none against; Commissioners Sartor and Steiner recused:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter referred to as the “Authority”) has been authorized and empowered to issue bonds, notes, or other obligations or evidences of indebtedness to provide capital funds for the financing of its facilities; and

WHEREAS, on September 9, 1982, the Authority established and authorized an issue of special obligations known as “Port Authority Commercial Paper”; and

WHEREAS, the authorization for the issuance of commercial paper obligations, which has been amended and supplemented from time to time since 1982, presently provides, as a result of the May 26, 2005 amendment and supplement, for an aggregate principal amount of commercial paper obligations to be outstanding at any one time not in excess of Five Hundred Million Dollars (\$500,000,000), with commercial paper obligations to be issued in two separate series, with the aggregate principal amount of Series A outstanding at any one time not to be in excess of Three Hundred Million Dollars (\$300,000,000) and with the aggregate principal amount of Series B outstanding at any one time not to be in excess of Two Hundred Million Dollars (\$200,000,000), and with the final maturity date of any of such obligations to be not later than December 31, 2010; and

WHEREAS, the Authority has determined to authorize a further amendment of and supplement to the authorization for the issuance of commercial paper obligations providing for Port Authority Commercial Paper Obligations (such term and all other terms of special meaning having the meaning ascribed to such terms in or pursuant to Article I of this Resolution) to be issued on and after the Effective Date for a period ending on December 31, 2015, in two separate series including stand-by revolving credit facilities, in unlimited aggregate principal amounts during such period; *provided, however*, that the aggregate principal amount of Port Authority Commercial Paper Obligations, Series A, outstanding at any one time during such period shall not exceed Three Hundred Million Dollars (\$300,000,000), and the aggregate principal amount of Port Authority Commercial Paper Obligations, Series B, outstanding at any one time during such period shall not exceed Two Hundred Million Dollars (\$200,000,000), with the proceeds thereof to be applied in accordance with the provisions of Section 2.04 of this Resolution; and

WHEREAS, Port Authority Commercial Paper Obligations shall be an issue of special obligations of the Authority payable from the sources of payment and to the extent provided in Section 2.03 of this Resolution;

NOW, THEREFORE, be it resolved by the Authority that the resolution of September 9, 1982 (appearing at pages 263 *et seq.* of the Official Minutes of the Authority of that date), as heretofore amended and supplemented by the resolutions of June 9, 1983 (appearing at pages 251 *et seq.* of the Official Minutes of the Authority of that date), of October 13, 1983 (appearing

at pages 395 *et seq.* of the Official Minutes of the Authority of that date), of July 11, 1985 (appearing at pages 297 *et seq.* of the Official Minutes of the Authority of that date), of November 14, 1985 (appearing at pages 411 *et seq.* of the Official Minutes of the Authority of that date), of January 7, 1988 (appearing at pages 6 *et seq.* of the Official Minutes of the Authority of that date), of October 11, 1990 (appearing at pages 450 *et seq.* of the Official Minutes of the Authority of that date), of November 9, 1995 (appearing at pages 504 *et seq.* of the Official Minutes of the Authority of that date), of June 29, 2000 (appearing at pages 327 *et seq.* of the Official Minutes of the Authority of that date), and of May 26, 2005 (appearing at pages 199 *et seq.* of the Official Minutes of the Authority of that date), is hereby further amended and supplemented, with respect to Port Authority Commercial Paper Obligations to be issued on and after the Effective Date, to read as follows:

#### **ARTICLE I. DEFINITIONS.**

Unless the context shall clearly indicate some other meaning or may otherwise require, the terms defined in this Article I shall, for all purposes of this Resolution and of any resolution amendatory hereof or supplemental hereto and of any opinion, instrument or document herein or therein mentioned (unless otherwise defined therein), have the meanings specified in this Article I, with the following definitions to be equally applicable to both the singular and plural forms of any terms defined in this Article I and *vice versa*. Any words or phrases not otherwise defined in this Article I and specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions (except as herein otherwise expressly provided or unless the context otherwise requires).

The term “Authorized Officer” shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; Treasurer; or Assistant Treasurer of the Authority.

The term “Consolidated Bond Reserve Fund” shall mean the special fund by that name established by Section 7 of the Consolidated Bond Resolution.

The term “Consolidated Bond Resolution” shall mean the resolution of the Authority adopted October 9, 1952, entitled “*Consolidated Bonds-Establishment of Issue*”.

The term “Consolidated Bonds” shall mean the issue of obligations of the Authority known as “Consolidated Bonds” (which also includes short-term bonds known as “Consolidated Notes”).

The term “Effective Date” shall mean, with respect to each series of Port Authority Commercial Paper Obligations, the date determined by an Authorized Officer on which the Notes of such series are initially issued under this Resolution.

The term “Final Maturity Date” shall mean December 31, 2015.

The term “General Reserve Fund” shall mean the special fund by that name established by the General Reserve Fund Statutes.

The term “General Reserve Fund Resolution” shall mean the resolution of the Authority adopted March 9, 1931, entitled “*General Reserve Fund Supporting Bonds Legal for Investment*”, as amended by the resolution of the Authority adopted May 5, 1932, entitled “*Investments: Authority of Finance Committee*”, as further amended by the Consolidated Bond Resolution to conform to the provisions of Section 6 of the Consolidated Bond Resolution.

The term “General Reserve Fund Statutes” shall mean Chapter 5 of the Laws of New Jersey of 1931, as amended, and Chapter 48 of the Laws of New York of 1931, as amended.

The term “Maturity Date” shall mean the date on which the principal of and interest on any of the Port Authority Commercial Paper Obligations is due and owing to the holder thereof.

The term “Net Revenues”, solely for the purpose of this Resolution, shall mean, with respect to any date of calculation, the revenues of the Authority pledged under the Consolidated Bond Resolution and remaining after (1) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (2) 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 (3) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution.

The term “Notes” shall mean any Series A Notes or Series B Notes.

The term “Port Authority Commercial Paper Obligations” shall mean the issue of special obligations of the Authority known as “Port Authority Commercial Paper Obligations”.

The term “Port Authority Commercial Paper Obligations Resolution” or “this Resolution” shall mean this resolution of the Authority adopted June 22, 2010, entitled “*Port Authority Commercial Paper Obligations Resolution*”, including any amendments, modifications or supplements hereto.

The term “Port Authority Commercial Paper Obligations, Series A” shall mean the series of Port Authority Commercial Paper Obligations known as “Port Authority Commercial Paper Obligations, Series A”, including any Series A Note and Series A Bank Note.

The term “Port Authority Commercial Paper Obligations, Series B” shall mean the series of Port Authority Commercial Paper Obligations known as “Port Authority Commercial Paper Obligations, Series B”, including any Series B Note and Series B Bank Note.

The term “Prior Series A Commercial Paper Obligations” shall mean those commercial paper obligations designated as “Series A”, which were issued by the Authority prior to the Effective Date and which are outstanding on and after the Effective Date.

The term “Prior Series B Commercial Paper Obligations” shall mean those commercial paper obligations designated as “Series B”, which were issued by the Authority prior to the Effective Date and which are outstanding on and after the Effective Date.

The term “Series A Advance” shall mean any borrowing by the Authority under a Series A Revolving Credit Agreement with respect to a Series A Note Settlement Deficiency.

The term “Series A Bank Note” shall mean the promissory note of the Authority, issued on the terms set forth in a Series A Revolving Credit Agreement to evidence the cumulative principal amount of Series A Advances and any repayment of Series A Advances.

The term “Series A Dealer” shall mean any dealer in sales of Series A Notes appointed by the Authority pursuant to Section 2.14 of this Resolution.

The term “Series A Dealer Agreement” shall mean an agreement, including any amendments, modifications or supplements thereto, authorized pursuant to Section 2.14 of this Resolution.

The term “Series A Issuing and Paying Agent” shall mean an issuing and paying agent for Series A Notes appointed by the Authority pursuant to Section 2.06 of this Resolution.

The term “Series A Issuing and Paying Agent Agreement” shall mean an agreement, including any amendments, modifications or supplements thereto, authorized pursuant to Section 2.06 of this Resolution.

The term “Series A Note Settlement Deficiency” shall mean the amount by which the sum of the principal of and interest on any Series A Notes payable on any Maturity Date exceeds the amount of moneys available in a Series A Settlement Account for such payment on such Maturity Date.

The term “Series A Notes” shall mean any commercial paper note or notes constituting all or a portion of Port Authority Commercial Paper Obligations, Series A.

The term “Series A Revolving Credit Agreement” shall mean an agreement, including any amendments, modifications or supplements thereto, authorized pursuant to Section 2.12 of this Resolution.

The term “Series A Settlement Account” shall mean an account, authorized pursuant to Section 3.01 of this Resolution.

The term “Series B Advance” shall mean any borrowing by the Authority under a Series B Revolving Credit Agreement with respect to a Series B Note Settlement Deficiency.

The term “Series B Bank Note” shall mean a promissory note of the Authority, issued on the terms set forth in a Series B Revolving Credit Agreement to evidence the cumulative principal amount of Series B Advances and any repayment of Series B Advances.

The term “Series B Dealer” shall mean any dealer in sales of Series B Notes appointed by the Authority pursuant to Section 2.15 of this Resolution.

The term “Series B Dealer Agreement” shall mean an agreement, including any amendments, modifications or supplements thereto, authorized pursuant to Section 2.15 of this Resolution.

The term “Series B Issuing and Paying Agent” shall mean an issuing and paying agent for Series B Notes appointed by the Authority pursuant to Section 2.07 of this Resolution.

The term “Series B Issuing and Paying Agent Agreement” shall mean an agreement, including any amendments, modifications or supplements thereto, authorized pursuant to Section 2.07 of this Resolution.

The term “Series B Note Settlement Deficiency” shall mean the amount by which the sum of the principal of and interest on any Series B Notes payable on any Maturity Date exceeds the amount of moneys available in a Series B Settlement Account for such payment on such Maturity Date.

The term “Series B Notes” shall mean any commercial paper note or notes constituting all or a portion of Port Authority Commercial Paper Obligations, Series B.

The term “Series B Revolving Credit Agreement” shall mean an agreement, including any amendments, modifications or supplements thereto, authorized pursuant to Section 2.13 of this Resolution.

The term “Series B Settlement Account” shall mean an account, authorized pursuant to Section 3.02 of this Resolution.

## **ARTICLE II. ESTABLISHMENT, AUTHORIZATION, TERMS AND ISSUANCE.**

### **SECTION 2.01. Establishment and Authorization of the Issue of Commercial Paper Obligations.**

An issue of special obligations of the Authority to be known as “Port Authority Commercial Paper Obligations” is established under this Resolution. Port Authority Commercial Paper Obligations shall be payable from the sources of payment and to the extent provided in Section 2.03 of this Resolution.

The issuance of Port Authority Commercial Paper Obligations in two separate series, to be known as “Port Authority Commercial Paper Obligations, Series A”, and “Port Authority Commercial Paper Obligations, Series B”, respectively, in accordance with the provisions of this Resolution, is authorized.

Port Authority Commercial Paper Obligations, Series A, may be issued in an unlimited aggregate principal amount for the purposes set forth in Section 2.04 of this Resolution for such series; *provided, however*, that the total aggregate principal amount of Port Authority Commercial Paper Obligations, Series A, which may be outstanding at any one time shall not exceed Three Hundred Million Dollars (\$300,000,000), taking into account the principal amount of the Prior Series A Commercial Paper Obligations, until the Prior Series A Commercial Paper Obligations are no longer outstanding in accordance with their terms.

Port Authority Commercial Paper Obligations, Series B, may be issued in an unlimited aggregate principal amount for the purposes set forth in Section 2.04 of this Resolution for such series; *provided, however*, that the total aggregate principal amount of Port Authority Commercial Paper Obligations, Series B, which may be outstanding at any one time shall not exceed Two Hundred Million Dollars (\$200,000,000), taking into account the principal amount of the Prior Series B Commercial Paper Obligations, until the Prior Series B Commercial Paper Obligations are no longer outstanding in accordance with their terms.

In any computation under this Resolution of the total aggregate principal amount of Port Authority Commercial Paper Obligations (or of any series thereof) outstanding at any one time (including the Prior Series A Commercial Paper Obligations and the Prior Series B Commercial Paper Obligations), if an obligation (or portion thereof) issued or incurred by the Authority solely for the purpose of refunding any Port Authority Commercial Paper Obligations, Series A, or Port Authority Commercial Paper Obligations, Series B, or Prior Series A Commercial Paper Obligations, or Prior Series B Commercial Paper Obligations, is outstanding at the same time as such Port Authority Commercial Paper Obligations, Series A, or Port Authority Commercial Paper Obligations, Series B, or Prior Series A Commercial Paper Obligations, or Prior Series B Commercial Paper Obligations, to be refunded, then such Port Authority Commercial Paper Obligations, Series A, or Port Authority Commercial Paper Obligations, Series B, or Prior Series A Commercial Paper Obligations, or Prior Series B Commercial Paper Obligations, to be refunded, shall not be deemed to be outstanding for the purposes of such computation.

## **SECTION 2.02. General Terms of the Notes.**

Unless otherwise determined by an Authorized Officer, the Notes shall be (1) issued on a book-entry basis under a fully registered master certificate, registered as to both principal and interest in the name of a qualified securities depository (or its nominee), as the sole registered holder of the Series A Notes and the Series B Notes, respectively; (2) evidenced by book entries (without certificates issued by the Authority) made on the books and records of the qualified securities depository (or its nominee), which is the sole registered holder of the Series A Notes and the Series B Notes, respectively, as appropriate, in the denomination of One Hundred Thousand Dollars (\$100,000) or any larger denomination that is an integral multiple of Five

Thousand Dollars (\$5,000) in excess thereof; and (3) dated the date of the book entry evidencing their delivery under this Resolution.

The Notes shall mature on such Maturity Dates as shall be determined by an Authorized Officer; *provided, however*, that the term of any Note shall not exceed two hundred seventy (270) days; and *provided further, however*, that no Note shall be issued or outstanding subsequent to the Final Maturity Date. No Note shall be subject to redemption prior to its Maturity Date.

Each Note shall bear interest at a per annum rate of interest to be determined by an Authorized Officer which shall be equal to the product (converted to a percentage) of (a) a fraction, the numerator of which is the total interest payable on such Note during its term and the denominator of which is the par value or denomination of such Note and (b) a fraction, the numerator of which is the number of days (calculated on an actual calendar day basis) in the calendar year of the issuance of such Note and the denominator of which is the number of days (calculated on an actual calendar day basis) from the date of such Note to its Maturity Date.

Unless otherwise determined by an Authorized Officer, principal of and interest on each of the Notes shall be payable in lawful money of the United States of America on the Maturity Date of such Note, by the issuing and paying agent for the series to which such Note pertains, to the qualified securities depository (or its nominee), as sole registered holder thereof.

### **SECTION 2.03. Sources of Payment.**

The principal of and interest on Port Authority Commercial Paper Obligations of each series shall be a special obligation of the Authority and shall be payable from the proceeds of obligations of the Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes, or from Net Revenues deposited to the Consolidated Bond Reserve Fund, and in the event such proceeds or Net Revenues are insufficient therefor, from other moneys of the Authority legally available for such payments when due.

The principal of and interest on Port Authority Commercial Paper Obligations shall not be payable from the General Reserve Fund and the payment thereof shall be subject in all respects to (1) payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and (2) 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.

### **SECTION 2.04. Application of Proceeds.**

The proceeds of Port Authority Commercial Paper Obligations, Series A, may be allocated to capital projects in connection with facilities of the Authority and/or for purposes of refunding obligations of the Authority, in each case, consistent with the characterization of such obligations as “qualified bonds” (which are exempt facility bonds) determined under applicable Federal tax principles.

The proceeds of Port Authority Commercial Paper Obligations, Series B, may be allocated to capital projects in connection with facilities of the Authority and/or for purposes of refunding obligations of the Authority; *provided, however*, that any such allocation shall not result in the characterization of such obligations as “private activity bonds” determined under applicable Federal tax principles.

An Authorized Officer may allocate the proceeds of any of the obligations constituting a portion of a series of Port Authority Commercial Paper Obligations to purposes in connection with some but not all of the purposes authorized for such series, and to the costs of issuance of such series, and may also specifically designate any bonds, notes or other obligations of the Authority to be refunded with any of such proceeds; *provided, however*, that no portion of the proceeds of any Port Authority Commercial Paper Obligations shall be allocated to purposes in connection with an additional facility of the Authority prior to the initial expenditure of proceeds of the first series of Consolidated Bonds issued for purposes of capital expenditures in connection with such additional facility.

#### **SECTION 2.05. Issue, Sale and Delivery of Notes.**

Notes may be issued, sold and delivered under the terms of this Resolution whenever an Authorized Officer shall prescribe the terms of such Notes (including the principal amount of, the purchase price for, the interest payable on, the issuance date of and the Maturity Date of such Notes) and deliver instructions therefor to the issuing and paying agent for such Notes, in each case, consistent with Section 2.02 of this Resolution and with the issuing and paying agent agreement and the dealer agreement pertaining to such Notes. Such instructions prescribing the terms of the Notes may be given orally, but in such event an Authorized Officer shall deliver to the issuing and paying agent for such Notes written confirmation of such prescribed terms within twenty-four (24) hours of such oral instructions (unless such instructions are transmitted by electronic means, in which event such electronic transmission shall be considered to be written instructions).

#### **SECTION 2.06. Appointment of Series A Issuing and Paying Agent.**

An Authorized Officer may appoint issuing and paying agents for and in connection with the Series A Notes and may enter into an issuing and paying agent agreement, which may contain terms and conditions not inconsistent with this Resolution, with each of such issuing and paying agents, providing for such services as an Authorized Officer deems appropriate to effectuate the issuance and payment of Series A Notes. An Authorized Officer may also establish and maintain non-interest bearing bank accounts in the name of and on behalf of the Authority with each of the Series A Issuing and Paying Agents as partial compensation to each of such Series A Issuing and Paying Agents; *provided, however*, that the amounts on deposit in any of such bank accounts shall not be in excess of the amount determined by such Authorized Officer to be appropriate to provide such partial compensation.

**SECTION 2.07. Appointment of Series B Issuing and Paying Agent.**

An Authorized Officer may appoint issuing and paying agents for and in connection with the Series B Notes and may enter into an issuing and paying agent agreement, which may contain terms and conditions not inconsistent with this Resolution, with each of such issuing and paying agents, providing for such services as an Authorized Officer deems appropriate to effectuate the issuance and payment of Series B Notes. An Authorized Officer may also establish and maintain non-interest bearing bank accounts in the name of and on behalf of the Authority with each of the Series B Issuing and Paying Agents as partial compensation to each of such Series B Issuing and Paying Agents; *provided, however*, that the amounts on deposit in any of such bank accounts shall not be in excess of the amount determined by such Authorized Officer to be appropriate to provide such partial compensation.

**SECTION 2.08. Authorization of Book-Entry System.**

An Authorized Officer may take all action in connection with (1) the establishment, maintenance, continuation or termination of a book-entry system for recordation and transfer of ownership interests in the Notes; (2) the effectuation of the issuance of the Notes as registered Notes subject to such book-entry system; (3) the selection of successor depositories; and (4) in the event that any such book-entry system is terminated, the effectuation of the issuance of the Notes in registered or bearer form, as appropriate.

**SECTION 2.09. Evidence of Ownership of Notes.**

Unless otherwise determined by an Authorized Officer, the Authority and any issuing and paying agent may treat the holder of a Note in whose name such Note is registered as the absolute owner of such Note for the purpose of receiving payment of the principal thereof and interest thereon and for all other purposes, and neither the Authority nor such issuing and paying agent shall be affected by any notice or knowledge to the contrary.

**SECTION 2.10. Mutilated, Lost or Destroyed Notes.**

In case any Note shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new Note of like tenor in exchange or substitution for and upon cancellation of such mutilated Note or in lieu of or in substitution for such destroyed or lost Note; or if such Note shall have matured, instead of issuing a substitute Note the Authority may instruct the appropriate issuing and paying agent to pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute Note shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such Note and of the ownership thereof and also such security and indemnity as may be required by the Authority. Upon the issuance of any substitute Note, the Authority, at its option, may require the applicant for such substitute Note to pay a sum sufficient to reimburse the Authority for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new Note so issued in substitution. Any Note issued under the provisions of this Section 2.10 in lieu of any Note alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the Note so alleged to have been destroyed or lost be at any

time enforceable by anyone, and shall be equally and proportionately entitled to the security of this Resolution with all other Notes issued under this Resolution.

**SECTION 2.11. Authorization of Distribution of Disclosure Documents.**

An Authorized Officer may arrange (1) for the preparation and distribution of disclosure documents, including offering memoranda or statements and other offering materials pertaining to the sale by the Authority of the Notes and (2) for the preparation and distribution of such other documents giving pertinent data with respect to the Authority and its finances as such Authorized Officer deems appropriate, in each case, in the name and on behalf of the Authority.

**SECTION 2.12. Authorization of Series A Revolving Credit Agreement and Series A Bank Note.**

An Authorized Officer may enter into stand-by revolving credit facilities pertaining to the Series A Notes with such entities as such Authorized Officer deems appropriate to effectuate the issuance of Series A Notes, and execute and deliver a bank note or bank notes under such facilities. Any such Series A Revolving Credit Agreements may contain terms and conditions not inconsistent with this Resolution, and may provide for Series A Advances in an unlimited aggregate principal amount, in support of the payment at its Maturity Date of the principal of and interest on any Series A Note; *provided, however*, that the aggregate principal amount of Series A Advances shall not exceed Three Hundred Million Dollars (\$300,000,000) outstanding at any one time, and may also provide for the execution and delivery of one or more Series A Bank Notes thereunder.

**SECTION 2.13. Authorization of Series B Revolving Credit Agreement and Series B Bank Note.**

An Authorized Officer may enter into stand-by revolving credit facilities pertaining to the Series B Notes with such entities as such Authorized Officer deems appropriate to effectuate the issuance of Series B Notes, and execute and deliver a bank note or bank notes under such facilities. Any such Series B Revolving Credit Agreements may contain terms and conditions not inconsistent with this Resolution, and may provide for Series B Advances in an unlimited aggregate principal amount, in support of the payment at its Maturity Date of the principal of and interest on any Series B Note; *provided, however*, that the aggregate principal amount of Series B Advances shall not exceed Two Hundred Million Dollars (\$200,000,000) outstanding at any one time, and may also provide for the execution and delivery of one or more Series B Bank Notes thereunder.

**SECTION 2.14. Appointment of Series A Dealers.**

An Authorized Officer may appoint dealers for Series A Notes and enter into agreements, which may contain terms and conditions not inconsistent with this Resolution, with each of such dealers.

**SECTION 2.15. Appointment of Series B Dealers.**

An Authorized Officer may appoint dealers for Series B Notes and enter into agreements, which may contain terms and conditions not inconsistent with this Resolution, with each of such dealers.

### **ARTICLE III. SETTLEMENT ACCOUNTS.**

#### **SECTION 3.01. Establishment of Series A Settlement Accounts.**

An Authorized Officer may establish a Series A Settlement Account for the Series A Notes with each Series A Issuing and Paying Agent. Each Series A Settlement Account shall be held and maintained by the Series A Issuing and Paying Agent with which such account has been established, for the account of the Authority, in accordance with the terms of this Resolution and the Series A Issuing and Paying Agent Agreement between the Authority and such Series A Issuing and Paying Agent.

#### **SECTION 3.02. Establishment of Series B Settlement Accounts.**

An Authorized Officer may establish a Series B Settlement Account for the Series B Notes with each Series B Issuing and Paying Agent. Each Series B Settlement Account shall be held and maintained by the Series B Issuing and Paying Agent with which such account has been established, for the account of the Authority, in accordance with the terms of this Resolution and the Series B Issuing and Paying Agent Agreement between the Authority and such Series B Issuing and Paying Agent.

#### **SECTION 3.03. Deposits to and Disbursements from Series A Settlement Accounts.**

There shall be deposited into the Series A Settlement Accounts such portion of the proceeds of the sale of Series A Notes as an Authorized Officer shall direct, all Series A Advances and such amounts as the Authority may elect to deposit or cause to be deposited in such Series A Settlement Accounts from moneys available for such deposit. Disbursements from the Series A Settlement Accounts shall be made upon the instructions of an Authorized Officer.

#### **SECTION 3.04. Deposits to and Disbursements from Series B Settlement Accounts.**

There shall be deposited into the Series B Settlement Accounts such portion of the proceeds of the sale of Series B Notes as an Authorized Officer shall direct, all Series B Advances and such amounts as the Authority may elect to deposit or cause to be deposited in such Series B Settlement Accounts from moneys available for such deposit. Disbursements from the Series B Settlement Accounts shall be made upon the instructions of an Authorized Officer.

## **ARTICLE IV. FORM AND EXECUTION OF NOTES.**

### **SECTION 4.01. Form of Notes.**

The form of certificate for each series of Notes, including provisions with respect to assignment, shall be determined by an Authorized Officer.

### **SECTION 4.02. Execution of Notes.**

Each of the Notes shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and, unless otherwise determined by an Authorized Officer, shall be manually signed by an Authorized Officer.

### **SECTION 4.03. Validity of Signatures on Notes.**

In case any Authorized Officer whose signature shall appear on any of the Notes shall cease to be an Authorized Officer before such Notes shall have been actually issued, such Notes may nevertheless be issued as though such Authorized Officer whose signature appears on such Notes had not ceased to be such Authorized Officer.

## **ARTICLE V. COVENANTS.**

The Authority hereby covenants and agrees that:

(a) The Authority shall duly and punctually pay or cause to be paid to the holder of a Note the principal of and interest on such Note, when due, in the manner, to the extent and as specified in such Note.

(b) Upon the date of issuance of any Note, all conditions, acts and things required by the Constitution or statutes of the States of New York and New Jersey or of the United States of America, or this Resolution to exist, to have happened and to have been performed precedent to or in the issuance of such Note shall exist, have happened and have been performed and such Note, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed thereby.

(c) To the extent that a revolving credit facility is applicable to any outstanding Note, as soon as practicable after the occurrence of an event which terminates such stand-by revolving credit facility provider's obligation to provide support for the payment of such Note at its Maturity Date, the Authority shall cause a notice of such event to be published on a financial newswire, or, in the event the Authority does not have access to such a newswire, in a financial newspaper of general circulation.

(d) The Authority shall take all action and shall do all things which it is authorized by law to take and to do in order to fulfill all of its obligations under the provisions of this Resolution, in accordance with the terms of such provisions.

## **ARTICLE VI. MISCELLANEOUS.**

### **SECTION 6.01. Contract.**

The provisions of this Resolution shall constitute a contract with the holders of the Notes issued pursuant to this Resolution, and with each such holder.

### **SECTION 6.02. Amendments.**

The Authority may modify or amend this Resolution or any agreement authorized by this Resolution at any time by a supplemental resolution or agreement, as applicable, without notice to or the consent of any holder of the Notes, but only in regard to such provisions as shall not materially and adversely affect the interests of such holders of the Notes then outstanding.

### **SECTION 6.03. Liability.**

Neither any Commissioner nor any officer, agent, representative or employee of the Authority or Authorized Officer shall be held personally liable to any purchaser or holder of any of the Port Authority Commercial Paper Obligations under such Port Authority Commercial Paper Obligations, or under this Resolution or any resolution hereafter adopted relating to the Port Authority Commercial Paper Obligations, or because of the issuance or attempted issuance of any of the Port Authority Commercial Paper Obligations, or because of any act or omission in connection with the construction, acquisition, effectuation, operation or maintenance of any facility of the Authority, or because of any act or omission in connection with the investment or management of the revenues, funds or moneys of the Authority, or otherwise in connection with the management of its affairs, excepting solely for things willfully done by such person with an intent to defraud or willfully omitted to be done by such person with an intent to defraud.

### **SECTION 6.04. Certifications.**

An Authorized Officer may take any action which such Authorized Officer deems appropriate to assure that Port Authority Commercial Paper Obligations, Series A, and Port Authority Commercial Paper Obligations, Series B, are issued, and during their terms are outstanding, on the basis that the obligations constituting each of such series are in conformity with, and the interest on such obligations is not includible for Federal income tax purposes in the gross income of the recipients thereof under, Section 103(a) of the Internal Revenue Code of 1986, or successor provisions of law, and the regulations thereunder. An Authorized Officer may certify on behalf of the Authority as to the need for the issuance of the Port Authority Commercial Paper Obligations for the purposes for which such Port Authority Commercial Paper Obligations are issued, as to the status of the projects for which the proceeds of the Port Authority Commercial Paper Obligations would be used, as to the Authority's intentions with respect to the application and investment of such proceeds, and as to such other matters as such Authorized Officer deems appropriate.

### **SECTION 6.05. Determinations.**

Whenever in this Resolution it is provided that any selection, designation, determination or estimate shall or may be made in connection with Port Authority Commercial Paper Obligations, or that any action may be taken or withheld in connection with Port Authority Commercial Paper Obligations, or that any action which shall or may be taken or withheld is dependent upon opinion, discretion or judgment, then such selection, designation, determination, estimate or action so made, taken or withheld shall be conclusive for the purposes of this Resolution, whether required to be made, taken or withheld as a condition precedent to the issuance of any of the Port Authority Commercial Paper Obligations or for the purpose of determining if all conditions precedent to the issuance of any such Port Authority Commercial Paper Obligations exist, or otherwise, the Authority adopting such selection, designation, determination, estimate or action so made, taken or withheld as its own.

**SECTION 6.06. Authorized Officers.**

An Authorized Officer may, in connection with Port Authority Commercial Paper Obligations, take any action, including those required for the Authority to independently provide liquidity support instead of entering into stand-by revolving credit facilities for the Series A Notes and/or the Series B Notes, which such Authorized Officer deems appropriate to effectuate the issuance of Port Authority Commercial Paper Obligations under this Resolution.

**SECTION 6.07. Titles.**

Titles to the Articles and Sections of this Resolution are solely for convenience and are not an aid in the interpretation of this Resolution or any part of this Resolution.

**HOWLAND HOOK MARINE TERMINAL – MEMORANDUM OF UNDERSTANDING WITH THE NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION REGARDING THE CONSTRUCTION OF ROADWAY IMPROVEMENTS IN STATEN ISLAND, NEW YORK**

It was recommended that the Board authorize the Executive Director to enter into a Memorandum of Understanding (MOU) with the New York City Economic Development Corporation (NYCEDC) pursuant to which the Port Authority would provide an amount not to exceed \$3.5 million to NYCEDC toward the cost of the construction of roadway improvements at the interchange of Interstate 278 and Forest Avenue in Staten Island, New York, in order to facilitate and/or increase access to the Howland Hook Marine Terminal (HHMT). The funds to be provided to NYCEDC would be reimbursed to the Port Authority by New York Container Terminal (NYCT), the operator of the HHMT, pursuant to its lease agreement with the Port Authority.

The queuing of trucks along the current roadway network surrounding the HHMT has negatively impacted HHMT operations. The most cost-effective, short-term solution to alleviate this traffic congestion is to modify local streets at the interchange of Interstate 278 and Forest Avenue. The proposed roadway improvements include: (1) making Forest Avenue a one-directional (northbound) roadway between Gulf Avenue and Goethals Road North; (2) constructing a median concrete barrier along Forest Avenue; (3) widening the Forest Avenue exit ramp to improve the turning radii at the intersection of Forest Avenue and Gulf Avenue, as well as at the intersection of Forest Avenue and Goethals Road North; and (4) modifying the existing signal at the intersection of Forest Avenue and Goethals Road North.

The Port Authority has taken the lead in designing the project and preparing the contract documents. Because the planned improvements are located within the New York City roadway network, the construction contract would be administered and supervised by the NYCEDC, and the Port Authority would reimburse the NYCEDC, in an amount of up to \$3.5 million, to construct the project. Upon execution of the MOU, the Port Authority would provide NYCEDC with an upfront payment of \$2.5 million, with disbursement of any additional funds within the \$3.5 million limitation to be provided to NYCEDC based on NYCEDC's actual contract obligations and work performed. Upon completion of the project, the New York City Department of Transportation would be responsible for the ongoing maintenance of the roadway improvements, and NYCT would reimburse the Port Authority for expenses incurred, pursuant to its lease agreement for the HHMT, which requires NYCT to reimburse the Port Authority, up to a maximum of \$5 million, for ramp and roadway improvements that would facilitate and/or increase access to the HHMT.

The proposed action would: reduce traffic congestion in the area of the Goethals Bridge and improve regional freight delivery to the HHMT; enhance traffic safety and vehicular movement conditions on Staten Island; and result in more efficient traffic flow, which would reduce vehicle travel and idling time, thereby reducing overall fuel consumption and associated air pollution produced by vehicle traffic.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino, 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 Memorandum of Understanding with the New York City Economic Development Corporation (NYCEDC) pursuant to which the Port Authority will provide NYCEDC with an amount not to exceed \$3.5 million toward the cost of the construction of a project at the interchange of Interstate 278 and Forest Avenue in Staten Island, New York, in order to facilitate and/or increase access to the Howland Hook Marine Terminal (HHMT), with the Port Authority to be reimbursed for the funds it provides to NYCEDC by New York Container Terminal, the operator of the HHMT, pursuant to its lease agreement with the Port Authority; 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.

**WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR TRANSIT HALL FOUNDATIONS AND INCREASE IN AUTHORIZATION OF RELATED EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES**

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with EIC Associates, Inc. (EIC) for Transit Hall foundations work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$19,224,000, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$900,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project.

The scope of work under the proposed Transit Hall foundations contract includes the installation of rock anchors, concrete footings, and a concrete floor slab with underslab drainage and waterproofing. When completed, the multi-level Transit Hall facility, located east of the PATH Hall, will provide seamless pedestrian connections to adjacent mass transit subway stations, ferry and bus systems and facilities.

The recommended award is to the lowest price proposer, EIC, 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. From March 2006 through February 2010, 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 proposed increase and an increase pursuant to a companion item being advanced at this meeting, a total of \$363.8 million will have been authorized. Approximately \$281 million of that amount has been expended to date.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino and Steiner voting in favor; none against; Commissioner Sartor recused:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture, with EIC Associates, Inc., for Transit Hall

foundations work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$19,224,000, 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 \$900,000, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for architectural and engineering 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 CONCRETE AND INCREASE IN AUTHORIZATION OF RELATED EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES**

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Sorbara Construction Corporation (Sorbara) for Transit Hall concrete work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$86,646,839, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$4,900,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project.

The scope of work under the proposed Transit Hall concrete contract includes furnishing and installing all reinforced concrete above the foundations and slab on grade in the East Bath tub, including concrete slabs, beams, walls, metal deck slabs, fills, curbs and pads. Additionally, the installation of two tower cranes, to be utilized in support of this work, is included in the proposed contract. When completed, the multi-level Transit Hall facility, located east of the PATH Hall, will provide seamless pedestrian connections to adjacent mass transit subway stations, ferry and bus systems and facilities.

The recommended award is to the lowest price proposer, Sorbara, 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. From March 2006 through February 2010, the Board authorized increases to the existing DDP contract for construction support services to implement various components of the WTC Hub Project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the proposed increase and an increase pursuant to a companion item being advanced at this meeting, a total of \$363.8 million will have been authorized. Approximately \$281 million of that amount has been expended to date.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino and Steiner voting in favor; none against; Commissioner Sartor recused:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner

Construction Company, a Joint Venture, with Sorbara Construction Corporation (Sorbara) for Transit Hall concrete work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$86,646,839, inclusive of an eight-percent allowance for extra work, with such award contingent on Sorbara's retention of a safety monitor at its sole cost; 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 \$4,900,000, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for architectural and engineering 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.

**DOWNTOWN RESTORATION PROGRAM – AGREEMENT WITH THE CITY OF NEW YORK FOR REIMBURSEMENT OF COSTS FOR EARLY-ACTION DESIGN AND CONSTRUCTION OF BELOW-GRADE STRUCTURES AND COMMON INFRASTRUCTURE FOR THE PERFORMING ARTS CENTER**

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement with the City of New York (the City), pursuant to which the City would reimburse the Port Authority for the cost of early-action design and construction of below-grade structures and common infrastructure for the future Performing Arts Center (PAC) at the World Trade Center (WTC) site, in an amount of up to \$44.02 million; (2) expend up to \$3.98 million for additional costs that Port Authority staff believes would be necessary to complete this scope of work; and (3) enter into such other related agreements with the City and/or other entities as may be necessary in connection therewith. The costs to be reimbursed would include design, construction and other costs incurred by the Port Authority in conjunction with the WTC Transportation Hub (WTC Hub) and One WTC Projects, as well as allocated costs of applicable WTC common infrastructure projects, at an estimated amount of \$48 million, including \$3.9 million in contingency.

The PAC currently is planned to be an approximately 180,000-square-foot facility with seven floors, containing a 1,000-seat theater, rehearsal halls, a café, retail space, and a 400-seat catering hall, at the northwest corner of Fulton Street and Greenwich Street (also referred to as Parcel B and designated as 230 Greenwich Street). The PAC project currently is being managed by the City, with funding from Lower Manhattan Development Corporation (LMDC), allocated from an original Community Development Block Grant from the U.S. Department of Housing and Urban Development (HUD). The City will enter into an agreement with LMDC regarding the provision of such HUD funding, and the City would enter into the proposed agreement with the Port Authority pursuant to which such funds then would be provided to the Port Authority.

Under various Board authorizations through November 2008, design consultants have been retained by the Port Authority to coordinate and perform below-grade structural design work at the PAC site, primarily in connection with the design of the West Bath tub Vehicular Access (WBVA) Project. The footings, foundations and shear walls supporting the PAC are integral with the WBVA foundations, and significant time savings and efficiencies have been realized in consolidating these design efforts. Pursuant to an authorization by the Board at its meeting of February 21, 2008, the Port Authority and LMDC executed a sub-recipient agreement in January 2010 that is to provide for reimbursement of up to \$2 million for these structural design costs.

Other Port Authority design and construction costs allocable to the PAC have been authorized previously, and work performed in connection with the WTC Hub, One WTC, and applicable WTC common infrastructure projects is being advanced by the Port Authority. Although construction of the above-grade portion of the PAC project cannot begin until the PAC site becomes available (upon removal of the temporary Port Authority Trans-Hudson rail system (PATH) station entrance), early-action structural work and work on infrastructure systems that are below grade must be performed at this time, to reduce significant future costs and construction disruption that would otherwise be necessary to complete the PAC project.

Footings, foundations, shear walls, liner walls and steam line and the mechanical room are all structures shared by various WTC site stakeholders serving their respective facilities. One WTC has a number of columns and shear/partition walls sharing loads with the PAC, as well as the steam line and associated mechanical room. The remaining footings, foundations, shear walls and columns will be constructed as part of the PATH Transit Hall, with loads shared between the PAC and other stakeholders.

It is essential to begin construction of the track-level footings, foundations and shear walls within the West Bathtub, the Vesey and Greenwich Street Liner Walls and the steam line, in accordance with the project milestones outlined in the October 2008 WTC assessment prepared by the Port Authority, *The World Trade Center: A Roadmap Forward*. The PAC early-action construction can be coordinated with other work at the PATH track level during scheduled outages, to minimize future costs and PATH service interruptions.

The proposed reimbursement agreement with the City would be the most cost-effective and time-efficient method for the PAC project to procure design and construction services.

The reimbursement agreement would provide for the Port Authority to perform all design, construction management and related work for the below-grade structures and common infrastructure. The City would reimburse the Port Authority for such work, in an amount of up to \$44.02 million. Any amounts required for construction extra work would be managed by the Port Authority, and the project contingency amount would be available for additional scope items upon joint approval by the Port Authority and the City. Should all of the contingency be used during construction, the Port Authority would be responsible for the remaining amounts within the estimated project cost of \$48 million. Should the \$3.9 million in project contingency not be spent during construction, up to \$1.2 million of the remaining contingency would be available to reimburse the Port Authority for the Port Authority's share of the base contract work (further offsetting Port Authority costs), while the remaining amount would be used for future PAC-related work. As a result, the estimated portion of these costs that would be the responsibility of the Port Authority is in the range of \$2.78 million to \$3.98 million. Port Authority staff costs would be reimbursable under the agreement. In the event the cost of the work exceeds the estimated \$48 million amount, the City would agree to: (1) negotiate in good faith to determine the cost share of the overrun attributable to the PAC; (2) utilize any remaining funds available in the City's sub-recipient agreement with LMDC to cover such costs; and (3) if a funding gap remains, the City would work to develop funding sources to close the gap.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino, 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: (1) enter into an agreement with the City of New York (the City), pursuant to which the City will reimburse the Port Authority for the cost of early-action design and construction of below-grade structures and common infrastructure for the future Performing Arts Center at the World Trade Center site, in an amount of up to \$44.02 million; (2) expend up to \$3.98 million for additional costs that Port Authority staff believes would be necessary to complete this scope of work; and (3) enter into such other related agreements with the City and/or other entities as may be necessary in connection therewith; and it is further

**RESOLVED**, that the form of the foregoing agreement(s) shall be subject to the approval of General Counsel or his authorized representative.

**WORLD TRADE CENTER (WTC) MEMORIAL, MEMORIAL MUSEUM AND WTC INFRASTRUCTURE PROJECTS – AUTHORIZATION TO ACCEPT ASSIGNMENT OF A TRADE CONTRACT FOR WEST VENT STRUCTURE PANELS, INCLUDING ASSOCIATED PAYMENTS INTO AN ESCROW ACCOUNT**

It was recommended that the Board authorize the Executive Director to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (NS11MM) to Island Diversified, Inc. for the furnishing and installation of all west vent structure panels for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, at an estimated amount of \$5,788,800, including an eight-percent contingency; (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. (Bovis) for performance of construction management (CM) services associated with the west vent structure panels trade contract, at an estimated cost of \$532,998; and (3) on behalf of the Port Authority and its wholly owned entities, make payments into an escrow account, in an amount of \$3,160,899, for the Port Authority's portion of the costs associated with the west vent structure panels trade contract and the Bovis CM contract.

Pursuant to a July 2006 Project Agreement with Lower Manhattan Development Corporation, the NS11MM, the City of New York and the State of New York, the Port Authority is to assume responsibility for construction of the WTC Memorial and the Memorial Museum Projects.

In December 2006, the Board authorized the Executive Director to finalize agreements with the NS11MM providing for the Port Authority to accept a full assignment of the Bovis CM contract and manage all construction work for the WTC Memorial and Memorial Museum Projects. In anticipation of the full assignment of the Bovis CM contract, the NS11MM has proceeded with procurement of the west vent structure panels trade contract, which is an essential component of the critical path schedule for the WTC Memorial, Memorial Museum and WTC Infrastructure Projects.

The NS11MM will award the west vent structure panels trade contract to Island Diversified, Inc., the lowest qualified bidder, selected from among multiple competitive bids based on a list of select bidders established in the Bovis CM contract. The scope of work for the trade contract includes the furnishing and installation of all stainless steel panels on the exterior of the west vent structure. The contract also will include installation of a galvanized steel roof screen and an aluminum composite system on the lower part of the structure, vending window, security grill and vertical lift door. The west vent structure is composed of two buildings in the West Bath tub of the WTC site, and it provides ventilation to underground facilities, including the Memorial Museum, WTC Transportation Hub, Central Chiller Plant and Property Management Facility. The west vent structure panels contract meets all New York City building code requirements.

An escrow account was jointly established and initially funded by the NS11MM to provide for payments to contractors and Bovis. The Port Authority previously has agreed to make payments into the escrow account of \$226.1 million, and the proposed authorization would bring total anticipated Port Authority payments to approximately \$229.2 million, of which approximately \$115.4 million has been allocated against the Port Authority's commitment to the WTC Memorial and Memorial Museum Projects.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Coscia, Holmes, Pocino and Steiner voting in favor; none against; Commissioners Bauer and Sartor recused:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. to Island Diversified, Inc. for the furnishing and installation of all west vent structure panels for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, at an estimated amount of \$5,788,800, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. (Bovis) for performance of construction management services associated with the west vent structure panels trade contract, at an estimated cost of \$532,998; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entities, to pay \$3,160,899 into an escrow account for the Port Authority's portion of the costs associated with the west vent structure panels trade contract and the Bovis construction management contract for the aforementioned projects; 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 SITE – ACCEPTANCE OF PARTIAL LEASE ASSIGNMENT FOR OFFICE SPACE AT 115 BROADWAY TO THE PORT AUTHORITY**

It was recommended that the Board authorize the Executive Director to accept partial assignment of the lease obligations of Phoenix Constructors, a joint venture of Fluor, Slattery Skanska, Granite Construction Northeast, Inc. and Bovis Lend Lease LMB (Phoenix), with Trinity Centre LLC (Trinity), the lessor, at 115 Broadway, New York, New York (115 Broadway), by accepting assignment of Phoenix's lease obligations for (1) the 14<sup>th</sup> floor, consisting of approximately 19,575 rentable square feet, for a 20-month term, and (2) the 16<sup>th</sup> floor, consisting of approximately 10,000 rentable square feet, for an eight-month term. The estimated total aggregate rental for this space during the respective terms is approximately \$1.76 million. Phoenix will continue to lease and occupy the 18<sup>th</sup> floor of 115 Broadway in connection with its World Trade Center (WTC) Transportation Hub (WTC Hub) Project East-West Connector work.

Currently, the Port Authority occupies 137,628 square feet on floors 5 through 10 and floor 19 at 115 Broadway under an existing lease, which expires on July 31, 2015, for use by Port Authority staff and its consultants responsible for the redevelopment of the WTC site. Pursuant to Phoenix's construction management/general contractor (CM/GC) contract with the Port Authority for the WTC Hub Project, which was authorized by the Board in December 2005, between March 2006 and March 2007, Phoenix entered into leases with Trinity for the 14<sup>th</sup>, 16<sup>th</sup> and 18<sup>th</sup> floors of 115 Broadway, to be used for its primary field office space. Under the General Conditions terms of Phoenix's CM/GC contract with the Port Authority, Phoenix is reimbursed by the Port Authority for all costs required for this space, including rent, utilities, maintenance, repairs and related costs.

In April 2009, the Board concurred with staff's recommendation to modify the CM/GC agreement with Phoenix, which provided for a reduction in Phoenix's scope of work, in order to competitively bid out remaining portions of the WTC Hub Project. As a result of the reduction in Phoenix's scope of work, Phoenix no longer requires space on the 14<sup>th</sup> and 16<sup>th</sup> floors at 115 Broadway. Because Phoenix's leases contain early termination provisions which require that 95 percent of the rentals for the remaining term be paid regardless of whether the space is occupied, and the Port Authority is responsible for these costs pursuant to the CM/GC contract, Port Authority staff determined that the most practical option would be to accept assignment of Phoenix's lease obligations for the 14<sup>th</sup> and 16<sup>th</sup> floors.

In October 2009, the Board authorized an agreement with Tishman Construction Corporation to provide construction management services in connection with the WTC Vehicular Security Center and Tour Bus Parking Facility, Eastside Tour Bus Parking Facility, West Bath tub Vehicular Access and WTC Streets Projects. The additional space at 115 Broadway would accommodate these consultants, in addition to WTC project staff.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino and Steiner voting in favor; none against; Commissioner Sartor recused:

**RESOLVED**, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to accept partial assignment of Phoenix Constructors' (Phoenix) lease obligations with Trinity Centre LLC at 115 Broadway, New York, New York, by accepting assignment of Phoenix's lease obligations for (1) the 14<sup>th</sup> floor, consisting of approximately 19,575 rentable square feet, for a 20-month term, and (2) the 16<sup>th</sup> floor, consisting of approximately 10,000 rentable square feet, for an eight-month term, for an estimated total aggregate rental of approximately \$1.76 million; and it is further

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

## **FUNDING AGREEMENT WITH THE ALLIANCE FOR DOWNTOWN NEW YORK, INC. - RENEWAL**

It was recommended that the Board authorize the Executive Director to enter into a one-year extension, from January 1, 2010 through December 31, 2010, of the Port Authority's agreement with the Alliance for Downtown New York, Inc. (Alliance), at a contribution rate of up to \$1.12 million. The Alliance is the operating entity for the Downtown-Lower Manhattan Business Improvement District (BID), which represents the interests of the Downtown Manhattan (Downtown) real estate and business community. Similar to other business improvement districts in New York City, the Alliance collects assessments from property owners and provides services to the district that benefit property owners and their tenants.

The Port Authority has made annual contributions to the Alliance since its founding in 1995. During that period, the Alliance has been a strong advocate for Lower Manhattan by marketing the area south of Chambers Street, promoting area economic development, enhancing security and sanitation, working to improve streetscape appearance and signage, and fostering cultural and community events.

The Alliance provides traditional BID-related services, in addition to conducting planning and research studies unique to enhancing the environment of Lower Manhattan. The Alliance provides a variety of enhancements to the quality of life and security of Downtown, including the staffing of 63 security officers at the New York City Police Department Downtown Center, deploying a 53-person sanitation staff, serving as the New York City Department of Parks and Recreation's concessionaire for two Downtown parks, and maintaining and updating the Downtown way-finding signage system.

The Alliance is currently advancing several significant planning studies, including the Greenwich Street South Study, which seeks to re-integrate the Greenwich Street area below the World Trade Center (WTC) site into the growing commercial and residential hubs surrounding it, and the Water Street Study, which has created a set of recommendations for improving the pedestrian experience on Water Street and enhancing the retail and cultural developments along that corridor.

Additional Alliance programs include operating a free Downtown shuttle bus, with the addition of a new bus and bus route in 2009, conducting an annual holiday shopping drive to promote Lower Manhattan as a holiday shopping district, and creating and promoting Lower Manhattan programs such as "Bike around Downtown" and Concerts at Castle Clinton and Battery Park.

Under the WTC Net Leases, the Net Lessees are responsible for contributing toward the annual BID payment, in an amount proportionate to the square footage of each net lease, including retail space. The Port Authority's wholly owned corporate entities, 1 World Trade Center LLC and WTC Retail LLC, are responsible for approximately 41 percent of the BID payment. The Silverstein Properties, Inc. (SPI) Net Lessees are responsible for, and will reimburse the Port Authority for, approximately 59 percent of the BID payment. SPI has indicated that it will pay its share of the BID payment for the first half of 2010, and intends to renegotiate its contribution amount with respect to the second half of 2010. The Port Authority will make the 2010 BID payment on behalf of the SPI Net Lessees only up to the amount that SPI commits to pay for 2010.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino, 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 an agreement with the Alliance for Downtown New York, Inc. (Alliance), at a contribution rate of up to \$1.12 million, to renew the Port Authority's existing funding arrangement with the Alliance for the calendar year 2010; and it is further

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

**WORLD TRADE CENTER SITE – WTC RETAIL LLC – PHASE II – RETAIL CORE AND SHELL DESIGN AND CONSTRUCTION AND ALLOCATED COMMON INFRASTRUCTURE COSTS - PROJECT AUTHORIZATION**

It was recommended that the Board authorize a project, representing Phase II of the World Trade Center (WTC) Site Retail Program, for the design and construction of the core and shell of the WTC retail development in portions of the West and East Bathtubs, and to provide for reimbursement to other projects at the WTC site for the WTC retail development project's allocated portion of site-wide common infrastructure costs, at an estimated total cost of \$476 million.

In 2003, the Port Authority reacquired the retail development rights at the WTC site from Westfield America Limited Partnership (Westfield). A Right of First Offer that Westfield now holds was included in that reacquisition. On January 4, 2008, the Board authorized WTC Retail LLC to enter into agreements for a joint venture with Westfield, but a final agreement with Westfield has not yet been completed, because of changes in the development of the WTC site. Consequently, the Port Authority is proceeding with the development of the retail portion of the WTC site, pending a final agreement with a development partner.

Phase I of the WTC Site Retail Program, which was authorized by the Board on July 23, 2009, provided for construction and design of retail-specific core and shell work and pre-tenant fit-out in areas adjacent to One World Trade Center, at a total cost of \$55 million. This proposed Phase II authorization would include design and construction costs for core and shell work for retail space being constructed under certain WTC Transportation Hub Project trade contracts, as well as the retail project's allocated costs for WTC site-wide infrastructure. The Phase II work would include all work in the West Bathtub general conditions package, underpinning the New York City Transit #1 Subway line, and excavation, early foundations, and the steel package in the East Bathtub. Total Phase II project costs include trade costs, soft costs and contingency costs, and allocated, indirect Port Authority costs.

The Phase II work is part of the construction that is necessary before WTC Retail LLC can begin to fit out the retail spaces with required mechanical, electrical, and plumbing systems.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino, Sartor and Steiner voting in favor; none against:

**RESOLVED**, that a project for the design and construction of the core and shell for retail space in portions of the West and East Bathtubs of the World Trade Center (WTC) site, representing Phase II of the WTC Site Retail Program, at a total estimated cost of \$476 million, including the retail project's allocated share of costs for WTC site-wide infrastructure, 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 purchase and construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

**WORLD TRADE CENTER SITE – WTC RETAIL LLC – PRE-TENANT FIT-OUT – PROJECT AUTHORIZATION AND REALLOCATION OF FUNDS PREVIOUSLY AUTHORIZED FOR SILVERSTEIN PROPERTIES, INC. TO PERFORM THIS WORK**

It was recommended that the Board authorize a project to implement certain interior architectural and mechanical, electrical and plumbing (MEP) work within the East and West Bathtubs, including all World Trade Center (WTC) Transportation Hub Retail Program areas of the WTC site, for the pre-tenant fit-out of portions of the WTC retail development project, previously to be performed by Silverstein Properties, Inc. (SPI) on the Port Authority's behalf.

In 2003, the Port Authority reacquired the retail development rights at the WTC site from Westfield America Limited Partnership (Westfield). A Right of First Offer that Westfield now holds was included in that reacquisition. On January 4, 2008, the Board authorized WTC Retail LLC to enter into agreements for a joint venture with Westfield, but a final agreement with Westfield has not yet been completed, because of changes in the development of the WTC site. Consequently, the Port Authority is proceeding with the development of the retail portion of the WTC site, pending a final agreement with a development partner.

At meetings held between November 2003 and July 2009, the Board authorized SPI to advance the design, development and implementation of a project for structural enclosure work (*i.e.*, core and shell) and pre-tenant fit-out for portions of the WTC retail development project along the East-West corridor adjacent to One WTC, including the WTC Transportation Hub Retail Program areas, and the commercial office towers and adjacent areas within the East Tub, at a total project cost of \$857 million (inclusive of \$475 million authorized for structural enclosure work and \$382 million for MEP work).

The interior architectural and MEP components of the WTC retail development project are extraordinarily complex, because the points of entry are provided by various WTC site stakeholders at differing locations and pass through multiple stakeholder projects. Therefore, to the extent practical, it is desirable to ensure centralized accountability for their functionality. Direct Port Authority oversight of the project, including the procurement of a substantial portion of this work under one or more separate agreements, subject to further authorization, would ensure centralized accountability, while providing the necessary flexibility in implementing the project.

Therefore, \$285 million of the \$382 million previously authorized for reimbursement to SPI to perform MEP work on the Port Authority's behalf would be reallocated and authorized under this separate project for MEP work located in the East and West Bathtubs.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Holmes, Pocino, Sartor and Steiner voting in favor; none against:

**RESOLVED**, that a project to implement certain mechanical, electrical and plumbing work within the East Bathtub of the World Trade Center (WTC) site for the pre-tenant fit-out of portions of the WTC retail development project, previously planned to be performed by Silverstein Properties, Inc. (SPI) on the Port Authority's behalf, be and it hereby is authorized, with such work being reallocated from SPI to the Port Authority, at an estimated total cost of \$285 million; 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 purchase and construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

**PORT JERSEY-PORT AUTHORITY MARINE TERMINAL – PURCHASE OF A PORTION OF THE FORMER MILITARY OCEAN TERMINAL AT BAYONNE FROM THE BAYONNE LOCAL REDEVELOPMENT AUTHORITY**

It was recommended that the Board authorize: (1) the Executive Director to enter into an agreement with the Bayonne Local Redevelopment Authority (BLRA) for the purchase, for marine terminal purposes, of an approximately 131-acre portion of the former Military Ocean Terminal at Bayonne (MOTBY), designated as The Landing, The Loft and Bayonne Point, and the associated riparian lands (Property) together with easements over a series of roadways on MOTBY (the Easements), from the BLRA, at a total consideration of \$235 million, to be paid over 24 years; (2) renaming of the Port Authority Auto Marine Terminal to the Port Jersey-Port Authority Marine Terminal and to add the Property and Easements to that facility; (3) acceptance of an assignment from the BLRA of the Royal Caribbean Cruise Lines agreements for the Cape Liberty Cruise Terminal; (4) the Executive Director to incur costs and execute, on behalf of the Port Authority, other agreements involving, among other things, appraisals, surveys, environmental studies, and other matters necessary to acquire the Property; and (5) General Counsel, in connection therewith, to retain a title company to secure title searches and title insurance and perform related services.

The former MOTBY site, which is now known as The Peninsula at Bayonne Harbor (Peninsula), encompasses 652 acres of upland and riparian lands, which includes a 437-acre man-made peninsula that is approximately one-third of a mile wide, two miles long, and extends into the Upper New York Harbor. In 1995, MOTBY, which at that time was owned by the United States Army (Army) and operated as an Army facility, was designated for closure in support of the federal Base Realignment and Closure initiative. The BLRA determined that the former MOTBY property was an area in need of redevelopment and expressed an interest to the Army in taking ownership of the property. The property subsequently was transferred from the Army to the BLRA.

In 2004, the BLRA approved a redevelopment plan for the entire Peninsula. The plan divided the Peninsula into six districts, namely, Maritime Industrial District, Harbor Station, Bayonne Bay, The Landing, The Loft and Bayonne Point. The Landing, The Loft and Bayonne Point are located in the southern portion of the Peninsula and at the tip of the Peninsula. The Landing, The Loft and Bayonne Point are not currently subject to any redeveloper or developer agreements and are owned in fee by the BLRA. All developer designations (if any) on those three parcels have either expired or been cancelled. The Maritime Industrial District is owned/controlled indirectly by Ports America, which also owns/controls the Port Newark Container Terminal in Port Newark. Harbor Station and a portion of Bayonne Bay are still owned by the BLRA, but have mortgage liens and redeveloper designations outstanding in favor of The Fidelco Group and Atlantic Realty Development Corporation, respectively. The balance of Bayonne Bay is owned by Trammel Crow Residential and is the location of a residential rental apartment complex on the site. Royal Caribbean Cruise Lines operates the Cape Liberty Cruise Terminal on property that is part of Bayonne Point.

Since 1989, the Port Authority has been interested in acquiring all or portions of the former MOTBY site, in recognition of its strategic value to the long-term vitality of our port business, including the property to be acquired pursuant to the proposed authorization. Recently, BLRA has expressed an interest in transferring this portion of the former MOTBY site to the Port Authority, and staff believes this is a unique opportunity to add this parcel to the Port Authority's portfolio of Port properties to better position the agency to meet its long-term development needs and to ensure the continued use of this property for maritime purposes.

The MOTBY site is one of the few remaining waterfront parcels available in the Port District with the capacity to accommodate significant marine terminal use. Acquisition of the Property would enhance our long-term Port strategy and would fill a strategic need. Waterfront property in the Port is scarce, and acquisition of the Property would preserve it for future maritime uses. Obtaining existing waterfront and riparian lands with deep-water access would complement and enhance the value of planned and existing Port Authority investments in the area. Upon acquisition of the portion of the MOTBY site, the property would be incorporated into the Port Jersey-Port Authority Marine Terminal, located in Bayonne and Jersey City. Together with other Port Authority initiatives in the Port Newark, the Elizabeth-Port Authority Marine Terminal, the Port Jersey-Port Authority Marine Terminal, Bayonne, and the Jersey City waterfront area, the proposed MOTBY acquisition presents a unique opportunity for future expansion of the Port Authority's existing marine terminal facilities, enhances the feasibility of implementing a port-wide land use master plan, enhances the competitiveness of the Port, and provides an opportunity for significant regional economic and commercial growth and job creation.

In consideration of the Property and Easements to be acquired, the Port Authority would pay the BLRA a total consideration of \$235 million to be paid over 24 years. The Port Authority would not be required to make any payments in lieu of taxes to the City of Bayonne in connection with the property to be acquired.

This item shall not be made available for public inspection until such time as the property acquisition becomes a matter of public record.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution in executive session with Commissioners Bauer, Holmes, Pocino and Steiner voting in favor; none against; Commissioners Coscia and Sartor recused:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement with the Bayonne Local Redevelopment Authority (BLRA) for the purchase, for marine terminal purposes, of an approximately 131-acre portion of the former Military Ocean Terminal at Bayonne (MOTBY), designated as The Landing, The Loft and Bayonne Point, and the associated riparian lands (the Property), together with easements over a series of roadways on MOTBY (the Easements), from the BLRA, at a total consideration of \$235 million, to be paid over 24 years; (2) renaming of the Port Authority Auto Marine Terminal to the Port Jersey-Port Authority Marine Terminal and to add the Property and Easements to that facility; (3) accept an assignment from the BLRA of the Royal Caribbean Cruise Lines agreements for the Cape Liberty

Cruise Terminal; and (4) incur costs and execute on behalf of the Port Authority other agreements, involving, among other things, appraisals, surveys, environmental studies, and other matters necessary to acquire the Property; and it is further

**RESOLVED**, that General Counsel be and hereby is authorized, for and on behalf of the Port Authority, to retain a title company to secure title searches and title insurance and perform related services in connection with the foregoing property acquisition; 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.

Whereupon, the meeting was adjourned.

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Secretary