

World Trade Center Quarterly Report

1st Quarter 2009

May 4, 2009

The Honorable David A. Paterson
Governor of the State of New York
State Capitol
Albany, New York 12224

Dear Governor Paterson:

I am pleased to provide you with the second of The Port Authority of New York and New Jersey's World Trade Center Quarterly Reports – an ongoing initiative to give the public a tangible way to track the agency's progress. These regular installments are published on our WTC website – www.wtcprogress.com – at the end of every Quarter and contain a complete accounting of the interim milestones that the Port Authority established in October 2008, as well as an overview of the other work going on at the site so the public has a full understanding of what we are doing to advance the rebuilding effort.

The 1st Quarter of 2009 saw substantial progress on the 9/11 Memorial, One World Trade Center, the WTC Transportation Hub and the other public infrastructure the Port Authority is responsible for building. We continue to remain confident in meeting the schedules and budgets released in our October 2008 report.

Specifically, we completed seven of our eight first quarter milestones, with the remaining milestone completed on April 24th. The first quarter began with the full formation of the North pool of the 9/11 Memorial and ended with the contract award for the WTC Transportation Hub steel, which includes twice the amount of steel used for the new Yankee Stadium and came in on budget. In between, the Port Authority secured the first private tenant for One World Trade Center – nearly 200,000 square feet from Vantone Industrial Co., which puts the building at 50% occupancy, including prospective state and federal government tenants.

As the Port Authority looks ahead to the next Quarter, we will continue to be confronted with the challenges of rebuilding on such a complex and crowded site. The Memorial steel erection faces two critical deadlines if we are to continue the momentum generated to date. One World Trade Center faces another crane jump to ensure the building continues rising out of the ground. And the pressure of an aggressive procurement process for the WTC Transportation Hub does not let up as several early work packages must be awarded to meet the critical path of Hub steel erection.

But our greatest challenge going forward will be responding to the effects of an economic recession, which has depressed the City's real estate market and tightened the nation's credit market. Just as we have gotten the public construction on track, we have seen that, like everything else, the rebuilding effort is not immune to the economic crisis. Working cooperatively with Silverstein Properties, we hope to rationalize their private

development to meet the market, while continuing to advance the public projects and infrastructure. We will continue to keep you updated as these discussions progress.

I look forward to updating you next Quarter on our progress as well as our challenges, as we work every single day to rebuild the World Trade Center.

Sincerely,

Chris Ward
Executive Director
Port Authority of New York & New Jersey

Cc: Governor Jon Corzine
Anthony R. Coscia, Chairman, Port Authority of NY & NJ
Henry R. Silverman, Vice-Chairman, Port Authority of NY & NJ
Port Authority Board of Commissioners
Mayor Michael Bloomberg
Assembly Speaker Sheldon Silver
Senate Majority Leader Malcolm Smith
Assembly Minority Leader James Tedisco
Senate Minority Leader Dean Skelos
State Senator Daniel Squadron
Council Speaker Christine Quinn
Council Member Alan Gerson
Manhattan Borough President Scott Stringer
Senator Charles Schumer
Senator Kirsten Gillibrand
Congressman Jerrold Nadler

MILESTONES



January 2009



April 2009

A full description of the 1st Quarter 2009 milestones is provided below, along with a look ahead at the key milestones for the 2nd Quarter 2009.

1st Quarter 2009

WTC Transportation Hub

- Steel Contract Award – Complete

The Port Authority Board of Commissioners authorized the award of a contract for more than 22,000 tons of steel for the World Trade Center Transportation Hub – the largest contract awarded to date for the major transportation facility.

The amount of steel awarded for the Hub project is equivalent to the entire weight of the USS New York (the Navy's new amphibious transport ship), or almost twice the amount of steel used for the new Yankee Stadium.

The Board authorized the award of a \$338.8 million contract to DCM Erectors to furnish, fabricate and erect 22,305 tons of structural steel for the Transportation Hub. The steel award covers steel to build the Transportation Hub to grade, including the Transit Hall, the permanent underpinning of the No. 1 subway box and Greenwich Street, and Hub-related pedestrian connections that link it to the other commercial components of the World Trade Center. The contract came in at the Port Authority's estimate.

The structural steel award is always one of the most significant milestones in any large construction project, but this award takes on even greater significance to the World Trade Center rebuilding effort as a whole because of how interconnected the Transportation Hub is to the entire site, particularly the 9/11 Memorial. For example, the steel for the Transportation Hub will form part of the floor of the

9/11 Memorial Plaza. The Port Authority's October 2008 World Trade Center Assessment Report included an innovative construction solution to "build the roof of the transportation hub first," decking over the Hub to make sure the floors of the Memorial were ready in time for the 10th anniversary of 9/11. Because part of the Transportation Hub's roof serves as part of the Memorial Plaza's floor, this solution cut an estimated two years off the complete delivery of the Memorial Plaza.

- Complete South Mezzanine Steel – Complete

This represents the Package 6C steel, south of the existing temporary PATH station directly over the active PATH tracks. This steel helps to form the eastern-most portion of the Memorial's southern pool and provides structure-to-grade over the PATH tracks in that area.

- Complete Pavilion/Spot Network Footings – Substantially Complete

These footings will support the Memorial's Pavilion (Visitor's Center) and remaining steel structure for the Memorial Plaza over the PATH tracks. All of the spot network footings supporting the South Mezzanine Steel (6C package) are complete, but there were also an additional 16 footings required to install the Package 10 steel that supports the southern portion of the Memorial Pavilion. Twelve of these 16 footings were complete by the end of the first quarter, with the other four completed on April 24th. This minor delay will not impact the scheduled placement of steel to support the Memorial Pavilion.

National September 11 Memorial & Museum

- Temporary Ramp Removed – Complete

This was the large ramp from the South Wall of the West bathtub down to the floor of the West bathtub. The temporary Acrow ramp was completely removed from the site on January 16th. A portion of the ramp is being retained by the Memorial Foundation to be included in the future Museum. The removal of this ramp enabled the continued erection of the remainder of the Memorial's structural steel, which is now over 50% complete.

- Complete Pavilion Cladding Design (by NS11MM) – Complete

This design package will enable the bidding, award and fabrication of the metal and glass outer skin that will cover the Memorial Pavilion (Visitor's Center).

One World Trade Center

- Begin Fulton Street Deck – Complete

Forty-seven Calatrava arches supporting Fulton Street are in place and metal decking has been installed to support the Fulton Street Deck structure. Work is ongoing to build up the roadway above the deck. This deck serves as the roof of the East-West connector, which will support the section of Fulton Street that crosses the World Trade Center site from East to West. This is a critical milestone because Fulton Street will also serve as a major access and logistics area for the construction of One World Trade Center and the WTC Transportation Hub.

WTC Vehicular Security Center and Tour Bus Parking Facility (VSC)

- Start West Street Slurry Wall – Complete

Pre-trenching for the West Street Slurry wall started around the perimeter of the VSC site from ground level down to bedrock. Guide walls are in place and panel placement has begun. Panel placement will continue through the second quarter of 2009. Excavation of the South bathtub is required to construct the VSC.

Greenwich Street

- Complete Top-Down Underpinning Design – Complete

This design represents the plan to permanently underpin the #1 Subway Line and Greenwich Street. By “underpin,” we mean the structural support for the subway box that divides the East and West portions of the site. For the first time in history, a train structure unparalleled in length – over 1,000 feet long – is being suspended in the air by steel columns that then transfer the loads to the underpinning system. What’s more is that the “box” that the subway moves through cannot be allowed to move more than two inches under the weight of the passing subway cars. This top-down design will facilitate the construction of the permanent support system that meets all scheduled milestones. It incorporates the existing temporary mini-piles into a concrete shear wall and slab system that is being constructed from the “top-down.”

- * Turnover of Tower 2/3/4 Sites – Incomplete

On March 26, 2009, the Port Authority turned over the site for Tower 4 to Silverstein Properties. The sites for Towers 2 and 3 will be turned over in a matter of months. This milestone is integral and subsumed in the ongoing Silverstein negotiations.

Second Quarter 2009 Milestones

WTC Transportation Hub

- **Begin 9A Underpass Excavation for East-West Connector**

Begin excavation for the portion of the East-West Connector that passes from the WTC site, under Route 9A to the World Financial Center and the rest of Battery Park City.

- **Complete Concrete Placement on Sections 1, 2 and 3 of the Fulton Street Deck**

Placement of concrete on the metal decking over the 47 Calatrava arches, which are currently in place along the East-West Connector. This will support the Fulton Street roadway over the East-West Connector, which is critical for the productivity of construction site, as well as the eventual finished Fulton Street.

- **Bid Out Early Action Work Packages to Support Steel Erection**

There are a series of work packages that must be bid out and completed before the Hub's steel arrives on site. In order for these packages to be complete to meet the steel erection's critical path, the procurement process must be well under way during the second quarter.

- **Complete Fabrication of the Remaining Calatrava Arches for the East-West Connector**

These eight new arches represent the remaining arches out of a total of 55 that will support Fulton Street and frame the East-West Connector of the WTC Transportation Hub. These new arches will be installed on the far West side and far East side of the East-West Connector.

- **Take PATH Platform A and Tracks 1 & 2 Out of Service**

This will facilitate completion of foundation work to support the steel columns in the Transit Hall. This will also allow the demolition of Platform A to begin, which will be replaced by a 10-car, ADA-compliant platform. This platform is currently used as a surplus platform to store PATH trains during off-peak hours. This should not affect PATH service going forward.

National September 11 Memorial & Museum

- **Complete Pavilion Interior Design (by NS11MM)**

These design documents provide the final details for the construction of the Pavilion core and shell, including plumbing, electrical and mechanical details and finishes. The exterior cladding design was completed this past quarter.

- Complete Approximately Half of Sector 3A Steel Over PATH Line

This represents the steel that covers the southern projection of the PATH line into the WTC site. Installation of this steel will also facilitate construction of the Memorial's Museum by providing a street-level access for material into the site. All steel work in this sector must be accomplished when the PATH railway line is inactive. This work will be accomplished during the weekends when PATH operates on a single track. The other half of Sector 3A steel should be completed in the third quarter of 2009.

- Complete Sector 4 Steel

This will be the steel in the center of the Memorial that connects the North and South pools. Over 1,200 pieces of steel make up this sector 4 package.

- Turn Over Sectors 2 and Sector 3 Steel to the Concrete Subcontractor

Turnover of the Memorial's Sector 2 and 3 steel will allow the installation of reinforcement steel and concrete on the decking of these two areas, which will eventually support the full Memorial Plaza.

- Begin Concrete Operations on Interior of Memorial

Begin concrete operations at the north end of the Memorial site, including the storm water harvest tank and major portions of structural concrete for the North Pool. Concrete operations must continue as steel erection is completed in other areas within the site.

- Activate North Lift Complex and Install South Lift Complex

Installation of the personnel and equipment lift at the northern and southern portions of the Memorial construction area. This lift will facilitate the movement of personnel and equipment into the project site and will enable the displacement of one of the two Memorial cranes.

One World Trade Center

- Complete North Core Shearwall to B1

Complete placement of reinforcing steel and high strength concrete for the North Core of One World Trade Center to bring it up to the B-1 level – the last level before grade.

- South Core Crane Jump

This represents the movement of the southern tower crane from the supports within the South Core to the erection steel above the core. This movement will facilitate continued erection of the southern core. The South Core Crane has already made one previous jump.

- Finish Concrete Placement on the #2 – Auxiliary Shear Wall

This will enable the start of the slab work to be located at street level, which will facilitate vehicle and equipment access to support the above-grade construction.

- Complete First Three Sections of Cutback of the Vesey Street Deck

Removal of these pieces of Vesey Street north of the One World Trade Center site will allow the installation to continue on the remainder of the building's exterior columns and completion of basement deck construction in that area. This area of Vesey Street is already inside the fenced-off area and will not affect pedestrian movements.

WTC Vehicular Security Center and Tour Bus Parking Facility (VSC)

- Complete Slurry Panels #1-4 and #8

The completion of these slurry panels will provide a portion of the interface with NYSDOT along Route 9A and enable them to finish construction of their utilities in this area.

- Assemble and Activate Slurry Plant

The on-site slurry plant produces and pumps a slurry mixture into the excavated holes for the placement of the wall panels. This mixture prevents the narrow panel excavations from collapsing before the reinforcing bars and concrete can be placed.

- Complete Trenching and Installation of Buttress Guide Walls

Completion of these guide walls will enable construction of the five buttress walls, which will support the southern face of the south bathtub slurry wall along Cedar Street. Rather than traditional tiebacks to support the slurry wall, which are being used throughout the rest of the site, this buttress support structure is necessary to hold up the slurry wall because tiebacks could not be drilled along Cedar Street.

Greenwich Street

- Complete Phase 1 Excavation and Bracing

Complete soil excavation to elevation 285 and installation of 1 level of steel mini-pile bracing. These represent the first steps in the permanent underpinning of the active #1 Subway Line from Liberty Street to Vesey Street.

- Top-Down Contract for Greenwich Street Out to Bid

This major contract represents the remaining excavation and permanent support below the current 1,000 feet long underpinning of the active #1 Subway Line, which bisects the 16-acre site.

QUARTERLY UPDATE

The following sections detail the significant actions taken over the past quarter beyond the specific major milestones described before:

Highlights

- North pool formed for National September 11 Memorial and Museum
- Erection of the Memorial steel is over 50% complete
- First private lease signed for One World Trade Center
- One World Trade Center reaches 105 feet above street level
- PA awards largest contract for WTC Transportation Hub, 22,000 tons of steel
- Port Authority releases WTC jobs/economic activity report, which shows more than 26,000 direct jobs created and \$14.5 billion in economic activity generated
- Over 74,000 tons of soil and rock have been removed from beneath the #1 Line Subway structure
- The New York State Department of Transportation has completed construction of the river water lines to the western slurry wall of the site
- All 51 new tiebacks have been installed and grouted in the exposed slurry at the Memorial site
- Over 9,000 cubic yards of concrete were placed throughout the site this past Quarter – enough to make a sidewalk 50 miles long.
- Over 2,800 tons of steel was erected this past Quarter – equivalent to the skeleton of a 15-story office building or the weight of ten Statues of Liberty.
- No major accidents or injuries
- The subscriber list for the PA's WTC Updates – alerts to notify subscribers of significant construction activities and any associated impacts on pedestrians or vehicular movement around the Site – more than doubled.

First Private Tenant Signs at One World Trade Center

On March 25, 2009, representatives of the Port Authority and Vantone Industrial Co., Ltd. signed a lease that will create the China Center, a unique 190,810-square-foot business and cultural facility, to be located on portions of the 64th floor and the entire 65th through 69th floors of One World Trade Center. Immediately following the lease signing, China Center provided the Port Authority with a \$10 million letter of credit.

The Port Authority also has prior commitments of more than a million square feet of leased office space in One World Trade Center from the U.S. General Services Administration and the New York State Office of General Services. These prospective tenants, coupled with the China Center lease, represent nearly 50 percent of the total office space in the building.

The China Center lease is for 20 years and nine months, commencing when the building is completed in late 2013. Rents will start at \$80 per square foot and escalate in

subsequent years. China Center also will have the right to lease up to two additional contiguous floors under the same lease terms, an option that expires at the end of 2009.

As currently envisioned, the China Center at One World Trade Center will represent the elite of China's vibrant business and cultural communities and serve as a dynamic hub for Chinese firms developing United States operations, as well as for U.S. companies that wish to conduct business in China or expand ongoing operations.

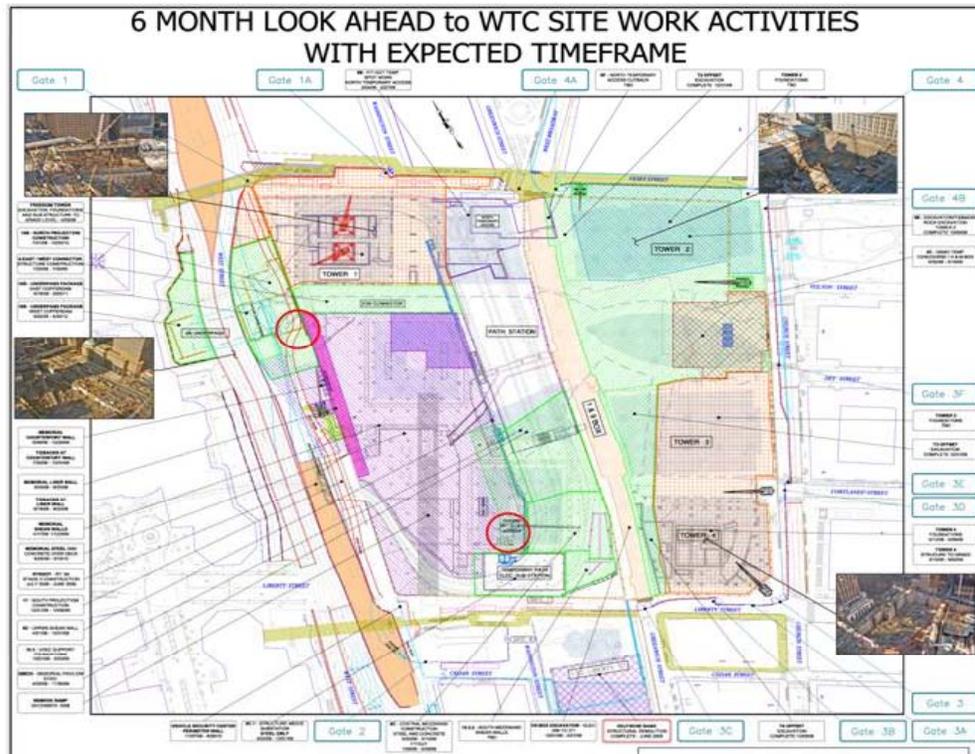
Key components of the China Center will include an Executive Business Club offering membership opportunities and extensive benefits; a conference center providing flexible, high-tech exhibition and conference facilities for corporate meetings and events; and first-class office space offering a variety of flexible layouts and options designed to enhance business operations and networking opportunities for a variety of small to mid-sized Chinese businesses.

WTC Office of Program Logistics

As construction activity around the WTC site accelerated this quarter, the Office of Program Logistics continued to develop new and creative ways of addressing pedestrian and vehicles movement around the perimeter of the site. These efforts are aimed not only at minimizing the impacts of construction on the Downtown community, but also at allowing critical construction activities to continue unimpeded. The Office also provides the mechanism to communicate regularly and openly with the residents, businesses and public officials of Lower Manhattan. The Office pursues these overarching goals through efforts in three areas: (1) Planning and Analysis; (2) Stakeholder Outreach; and (3) Communication. A quarterly update for each area is provided below.

Planning and Analysis

A joint venture of Parsons Brinkerhoff World and the URS Corporation – two of the largest and most experienced engineering and construction firms in the world – was established to address the extraordinarily complex logistical issues associated with executing the intricate World Trade Center building program. Together with PB-URS and the transportation planning firm Sam Schwartz Engineering, the Port Authority's logistics team continues to merge and streamline its logistical efforts into a single, comprehensive plan. The team has developed a series of planning documents that focus on the site at various scales – from a high level, site-wide point of view down to a detailed corridor analysis that highlights points of coordination amongst various contractors on site. Detailing the construction staging at various phases of the project, these snapshots (see graphic below for an example) highlight open issues and are a valuable driver of coordination efforts managed by the team in a series of weekly contractor meetings.

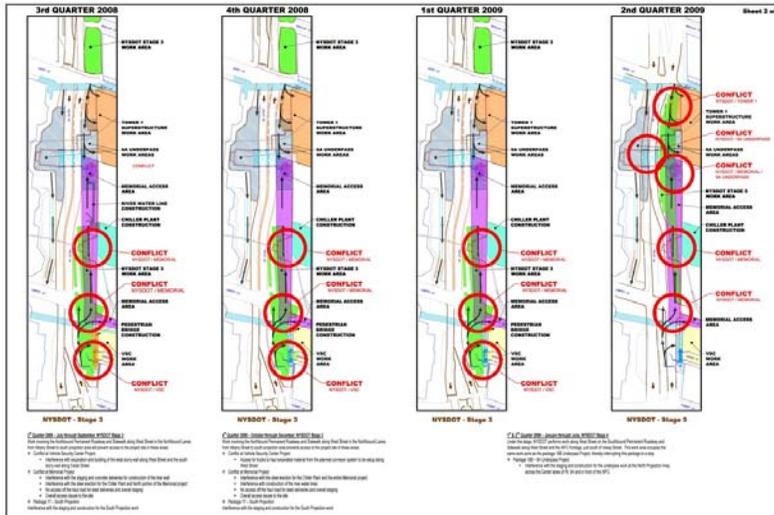


Coordinated construction logistics planning from the various individual construction teams allows the Port Authority to manage proactively the increase in construction labor, equipment and material deliveries anticipated for 2010 and 2011 as more projects approach peak activity. The effort includes multi-year site phasing plans including coordinated access, equipment and material lay-down areas and work zone boundaries, in order to avoid or minimize conflicts and delays. The planning also includes multi-year projections for truck deliveries and labor access for each of the site gates in order to develop traffic management and security measures. These will be managed by the Site Logistics Command Center, which will be implemented by the end of 2009. The effort is detailed and comprehensive, and enables the Port Authority to effectively manage the vast amount of simultaneous construction activity occurring on a single 16-acre site located in the heart of Manhattan's densest neighborhood.

Planning efforts this quarter included:

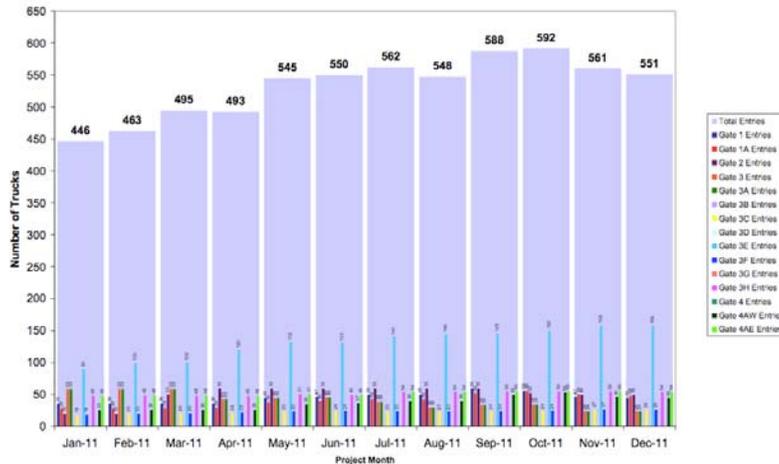
- *Route 9A Coordination:* In January, the Office coordinated the shift of northbound traffic on Route 9A with NYSDOT and NYCDOT. The Office coordinated efforts with Brookfield Properties to study the feasibility of accelerating construction of the Route 9A underpass. The coordination efforts also led to the accelerated installation of the Hudson River water lines by the NYSDOT, which will allow for

unimpeded site access for delivery trucks for the Vehicle Security Center.



- Coordinated Staging for Fulton Street:** The area to the south of the One World Trade Center work zone, north of the future Memorial Plaza, and East of Route 9A is where the future Fulton Street will be constructed. In the coming years, this area will continue to be a high-traffic construction area that must be shared by One World Trade Center, the Transportation Hub, the Memorial, and the Port Authority for construction access, egress, deliveries, and staging. Many construction sites around the City have exclusive access and staging for their work zones; however, due to the constraints at the WTC site, several projects must share access and staging in confined spaces such as Fulton Street. The Office is currently leading a coordination effort among the many project executives on-site who will share Fulton Street throughout construction. The effort also includes coordinating access to and from Fulton Street with NYSDOT and NYCDOT.
- Vesey Street Pedestrian Bridge Extension:** In the first quarter of 2009, the Office developed a concept of extending the Vesey Street pedestrian bridge eastward to land East of Washington Street. The Office has shared this idea with the community and continues to develop it to determine exactly when it would be implemented. This engineering solution will separate pedestrian movements along the heavily used Vesey Street corridor immediately north of the WTC Site from truck traffic on Washington Street, which is one of the critical access roadways for trucks delivering construction materials for One World Trade Center. The grade-separated crossing will minimize impacts to pedestrians and enhance the efficiency of the construction effort, and the Port Authority is committed to continually seeking new and improved ways of meeting these aims as the project advances.
- Truck Logistics:** The Office kicked off an examination of various potential off-site truck staging areas with the goal of concentrating WTC trucking activities at a location that is both adequate to accommodate heavy vehicle volumes and offers convenient access to the WTC Site along NYCDOT-approved routes. In addition,

the Office has begun an analysis of daily truck volumes expected to approach the WTC Site for the duration of construction. The aim of this analysis is to determine the impact increased trucking activity will have on the adjacent roadways and develop measures to mitigate these impacts.

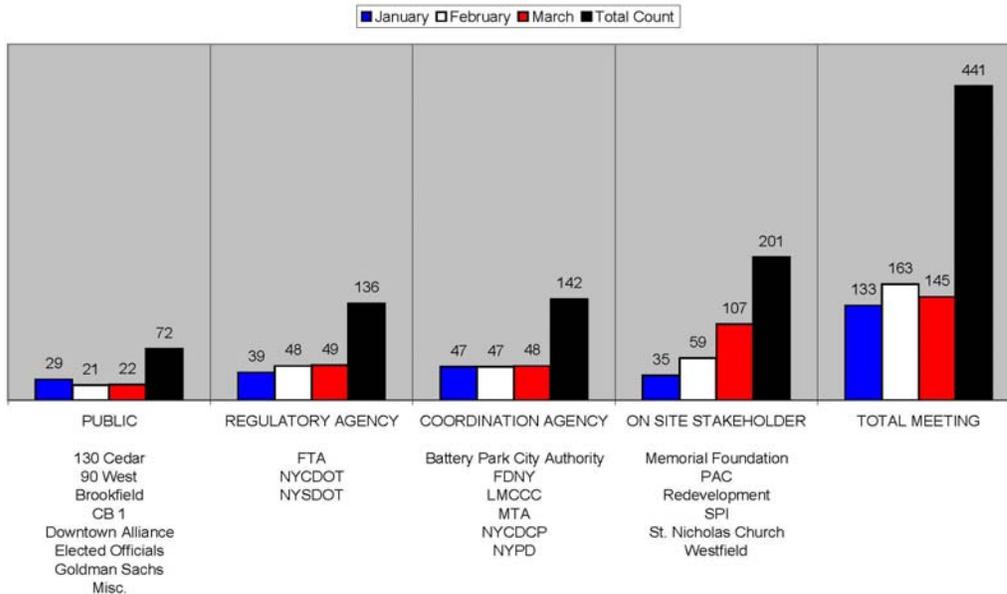


- Memorial Tour Bus Staging:** The Office continues to coordinate future staging efforts with the delivery of projects over the construction period. One critical period includes construction coordination post September 11, 2011, the planned 10th Anniversary of the event. In an attempt to meet the needs of planned construction activities and forecasted Memorial visitors, the Office has undertaken a proactive planning effort to study the National September 11 Memorial and Museum tour bus operation. The team reviewed the number of tour buses expected at various periods after the opening of the Memorial and Museum, and then assessed the amount of loading, unloading and parking space required to accommodate those volumes. The study has identified creative concepts for accommodating Memorial tour bus operations during each of these periods. The Port Authority will continue to coordinate this effort with the Memorial Foundation, NYCDOT and the Mayor’s Office.

Stakeholder Outreach

The Port Authority recognizes that a project of unparalleled complexity involving so many public, private, and community stakeholders requires a significant level of coordination. To that end, we have actively engaged critical stakeholders, working collaboratively to identify and solve issues related to every single project on the WTC Site. In the last quarter alone, the Port Authority has participated in numerous meetings with a variety of different stakeholders. The Office meets bi-weekly with LMCCC to coordinate on logistical issues and has held an array of outreach meetings, status briefings, and working sessions with external stakeholders including The Downtown Alliance, Community Board 1, NYCDOT, NYSDOT, Silverstein Properties, Councilman

Alan Gerson’s Office, and the Sheldon Silver Stakeholder Taskforce. In the last quarter alone, the Port Authority participated in 441 meetings with dozens of different stakeholders:



These meetings have been instrumental in supporting on-site construction coordination and off-site pedestrian corridors including:

- Accelerated construction schedules of the WTC Transportation Hub’s West Bath tub foundation in the vicinity of Liberty Street. After several meeting with the community board and Councilman Alan Gerson’s Office, The Office worked with the contractor to reduce the off-peak noise impact to area residents. First, the contractor explored the use of muffling devices followed by increasing day-time productivity. The contractor was successful in reducing the construction time.
- Accelerated construction schedules of the installation of the Battery Park City caissons in the vicinity of the World Financial Center via the East-West Connector. In order to facilitate the tunnel’s construction, caissons were recently installed adjacent to the Winter Garden. The installation of the caissons required the temporary rerouting of the West Street/Route 9A bikeway between February 13th and March 6th. This bikeway is one of the most significant and popular bikeways in the city. The Port Authority met with the Battery Park City Authority, Battery Park City Parks Conservancy, Brookfield Properties, Manhattan Community Board 1, New York City Department of Transportation, and New York State Department of Transportation to determine a temporary route for the bikeway that would be the least disruptive to the community. The Port Authority initially expected to reroute the bikeway for four weeks. Knowing the disruption the rerouting would cause and based on community feedback, installation of the caissons was expedited and completed ahead of schedule.

- Coordination of Tower 4 utilities with NYCDOT and FDNY. Tower 4 construction requires utility modifications in Liberty Street between Church and Greenwich. The Office coordinated the utility work with FDNY to maintain constant emergency vehicle access and street parking modifications for this work to start. In addition the Office communicated the construction activity with local residents.
- Improvements to the Liberty Street Corridor. The Liberty Street corridor is an important east/west path for residents of Battery Park City and World Financial Center tenants. The Port Authority met with Battery Park City and Brookfield Properties to develop an enhancement plan to modify the protective Liberty Street sidewalk shed to improve pedestrian comfort and circulation. We installed anti-slip floor coating; new lighting, additional signage, and plan to install new wall panels depicting area destinations.

Communication

The Port Authority continues to leverage technology to ensure transparency during the WTC rebuilding effort. We regularly provide updates and photographs of our construction progress on www.wtcprogress.com in order to keep the public informed of the day-to-day progress. In addition, the web site hosts our “Ask the Port Authority” feature, which allows us to respond directly to questions from the public regarding the WTC building program.

This quarter, we more than doubled our subscriber list for our WTC Updates – alerts sent directly to a cellular phone, PDA, pager, or e-mail account to notify downtown residents, workers, and visitors of significant construction activities and any associated impacts on pedestrians or vehicular movement around the Site.

This quarter, the Office of Program Logistics also launched a new public newsletter documenting the construction issues at the site. The monthly publication will be disseminated to WTC stakeholders, including area residents, public agencies and civic groups in an effort to highlight the rebuilding progress as well as the efforts of the Office to improve the quality of life for those living and working around the site.