# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
# MEETING OF THE BOARD OF COMMISSIONERS AND BOARD COMMITTEE MEETINGS – THURSDAY, MARCH 24, 2016

The following is the agenda and related materials as of Monday, March 21, for the March 24, 2016 Meetings of the Board of Commissioners and Board Committees of The Port Authority of New York and New Jersey and its subsidiaries to be held at 4 World Trade Center, 150 Greenwich, NY, NY 10007.

Meeting attendees are required to go through a security screening upon entering the building. Attendees are encouraged to arrive early. Security screening will begin at 9:30 a.m.

## Executive Session Committee Meetings – 9:00 a.m. (Agenda Review Room)

### Committee on Operations

*The Committee on Operations will meet in executive session to discuss matters related to the purchase, sale, or lease of real property where disclosure would affect the value thereof or the public interest.*

### Committee on Security

*The Committee on Security will meet in executive session to discuss matters involving public safety or law enforcement.*

## Public Session Committee Meetings – 10:30 a.m. (Board Room)

### Committee on Operations

- Bathgate Industrial Park – Sale and Assignment of Port Authority Lease — Gerard Del Tufo
- Discussion of Port Authority Leased Space at New York Penn Station — Patrick Foye

### Committee on Finance

- Year-End 2015 Financial Results — Libby McCarthy

### World Trade Center Redevelopment Subcommittee

- World Trade Center Site – Authorization of Additional Contract Actions to Implement Certain Work Under Existing Contracts — Alan Reiss
- World Trade Center Site Flood Resiliency Programs – At-Grade Bollard Protection System — Alan Reiss

### Committee on Capital Planning, Execution and Asset Management

- Newark Liberty International Airport – Terminal A Redevelopment — Thomas Bosco
- LaGuardia Airport Redevelopment — Patrick Foye/ Thomas Bosco
- Update on George Washington Bridge Rehabilitation Program — Cedrick Fulton
- Year-end 2015 Capital Results — Michael Massiah

**Committee on Governance and Ethics**

- Access to Port Authority Records – Enhanced Transparency and Efficiency – Port Authority Public Records Access Policy and Access to Personal Information Policy

**Board Meeting – 12:00 noon (*estimated*) (Board Room)**

- Report of Executive Director — Patrick Foye
- Speakers Program*
- Gateway Program
- Deferred Prosecution Agreement
- Resolution Approvals

**Executive Session Meeting – All Commissioners**

*The Board of Commissioners will also meet in executive session prior to, and immediately following, the public meetings to discuss matters related to proposed, pending, or current litigation or judicial or administrative proceedings, matters related to personnel and personnel procedures, matters involving external or internal investigations or audits, and matters involving ongoing negotiations or reviews of contracts or proposals.*

**For more information, contact the Office of the Secretary at (212) 435-6682 or (212) 435-3712.**

***Media Only: (212) 435-7777***

***SUBJECT TO CHANGE***

* Members of the public wishing to address the Board on Port Authority-related matters may do so at its public Board Meeting. Individuals who wish to address the Board at its public Board Meeting should register by completing and submitting a registration form, which is located in the Speakers Registration section of the Port Authority Website, by 9:30 a.m. on Thursday, March 24, 2016. Speakers are limited to three minutes each, and speaking time may not be transferred. The use of audio visual equipment is not permitted. The public comment period may be limited to 30 minutes. Appropriate photo identification is required.

# Summaries of Proposed Actions and form of Proposed Resolutions to be Considered by the Board at its March 24, 2016 Meeting

1. Bathgate Industrial Park – Sale and Assignment of the Port Authority's Lease

2. George Washington Bridge Bus Station – Amendment of Lease Agreement with GWBBS Development Venture LLC

3. Agreement with the National Oceanic and Atmospheric Administration for the Operation and Maintenance of the Physical Oceanographic Real-Time System

4. Newark Bay, Port Newark and Port Newark Branch Channels – Federal Maintenance Dredging – Agreement with United States Department of the Army - Funding for Upland Placement

5. George Washington Bridge Rehabilitation Program – Rehabilitation of Center Avenue and Lemoine Avenue Bridges – Project Authorization and Authorization of Increase in Architectural and Engineering Services

6. Newark Liberty International Airport – Terminal A Redevelopment – Program Authorization and Authorization of Funding for Certain Program Elements

7. LaGuardia Airport Redevelopment Program – Authorization of the LaGuardia Airport Redevelopment Program and Lease Agreement for New Terminal B, Central Hall and Supporting Infrastructure Project

8. World Trade Center Site – Authorization of Additional Contract Actions and Expenditures to Support Ongoing Post-Hurricane Sandy Recovery Work and Related Costs

9. World Trade Center Site – Authorization of Additional Contract Actions to Implement Certain Work Under Existing Contracts

10. World Trade Center Site Flood Resiliency Programs – Flood Mitigation and Resiliency Improvements At-Grade – Award of Contract for Construction of a Perimeter Bollard Protection System

11. Publication of Annual Financial Statements

12. John F. Kennedy International Airport – Newark International Airport – The Hudson Tubes Facility – Lease Agreement for Certain Areas of the Redeveloped James A. Farley Building Transportation and Commerce Center – Lease Agreement and Amendment -- Rescission

13. Access to Port Authority Records – Enhanced Transparency and Efficiency – Port Authority Public Records Access Policy

14. Access to Port Authority Records – Enhanced Transparency and Efficiency – Access to Personal Information Policy

(Board – 3/24/16)

1. ***Bathgate Industrial Park – Sale and Assignment of the Port Authority's Lease***

***Request:***

- *This item authorizes agreements with The City of New York, New York City Economic Development Corporation (NYCEDC) and National Resources (NRE) to effectuate the sale and assignment of the Port Authority's lease with NYCEDC for Bathgate Industrial Park (Bathgate), Bronx, New York (the Master Lease), including payment of a lease assignment fee to the Port Authority estimated at $16.5 million, subject to certain closing adjustments.*

***Transaction Details:***

- *The Master Lease restricts the Port Authority from assigning the Master Lease to a third party without NYCEDC's consent.*
- *The transaction would include a lease assignment consent agreement with NYCEDC, a lease assignment agreement with NRE and any other contracts necessary to effectuate the transaction.*
- *NRE has proposed investing $50 million in the facility, but requires certain changes to the Master Lease. These changes include broadening the permitted uses (currently restricted to manufacturing and school uses) and extending the lease term. Changes to permitted uses in the Master Lease may only be made following completion of a Uniform Land Use Review Procedure (ULURP).*

***Background:***

- *Bathgate consists of eight buildings totaling 454,000 square feet located on 14 acres on seven blocks in the Bronx.*
- *The facility is leased to the Port Authority by NYCEDC under the Master Lease through 2020, with one ten-year extension option through 2030.*
- *The Port Authority constructed the buildings in the mid to late 1980s. The facility was developed as an economic development project designed to bring development, industry and jobs to the Bronx.*
- *At this time, approximately 600 people are employed at the facility.*
- *At its February 2015 meeting, the Board endorsed the recommendations of the Special Panel on the Future of the Port Authority to phase out real estate ownership and development as an element of the Port Authority's mission. The proposed transaction is in furtherance of the direction provided by the Board.*

**BATHGATE INDUSTRIAL PARK – SALE AND ASSIGNMENT OF THE PORT AUTHORITY'S LEASE**

It was recommended that the Board authorize the Executive Director to enter into agreements with The City of New York (the City), New York City Economic Development Corporation (NYCEDC) and National Resources (NRE), as necessary or appropriate to effectuate the sale and assignment of the Port Authority's lease with NYCEDC (the Master Lease) of the Bathgate Industrial Park (Bathgate), Bronx, New York, including an assignment agreement with NRE and an agreement for consent to assignment with NYCEDC.

In 1978, in recognition of the loss of manufacturing jobs and plants in the Port District and its serious negative impact on the regional economy, the Port Authority was authorized by the States of New York and New Jersey to undertake a program of industrial development. In furtherance thereof, the Board authorized various actions in March 1981 with respect to Port Authority participation in an industrial development project in the Bathgate area of the Bronx. Subsequently, in October 1981, the Board approved an agreement among the Port Authority, the City and NYCEDC for the development of Bathgate.

The Bathgate facility consists of eight buildings totaling 454,000 square feet located on 14 acres on seven blocks in the Bronx. The facility is leased by NYCEDC to the Port Authority through 2020, with one ten-year extension option through 2030. The Port Authority constructed the buildings in the mid to late 1980s, and net leases them to multiple tenants for uses including light manufacturing, warehousing, schools, daycare and office space uses.

The Master Lease restricts the Port Authority from assigning the Master Lease to a third party without NYCEDC's consent.

The buyer, NRE, has proposed investing $50 million in the facility, but requires certain changes to the Master Lease. These changes include broadening the permitted uses (currently restricted to manufacturing and school uses), and extending the lease term. Changes to permitted uses in the Master Lease may only be made following completion of a Uniform Land Use Review Procedure.

NYCEDC is also requiring a lease assignment fee, which would be paid by NRE. The amount and timing of this fee is under negotiation between NYCEDC and NRE.

NRE would pay the Port Authority an estimated $16.5 million to purchase the leasehold, subject to certain closing adjustments.

At its February 19, 2015 meeting, the Board endorsed the recommendations of the Governors of the States of New York and New Jersey's *Special Panel on the Future of the Port Authority*, including the recommendation to phase out real estate ownership and development as an element of the Port Authority's mission, by divesting and monetizing commercial real estate holdings not necessary to the Port Authority's core mission. The currently proposed transaction is in furtherance of such direction provided by the Board.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED,** that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with The City of New York, New York City Economic Development Corporation (NYCEDC) and National Resources (NRE), as necessary or appropriate to effectuate the sale and assignment to NRE of the Port Authority's lease with NYCEDC of the Bathgate Industrial Park, including an assignment agreement with NRE and an agreement for consent to assignment with NYCEDC, substantially in accordance with the terms outlined to the Board; and it is further

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

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

(Board – 3/24/16)

## 2. *George Washington Bridge Bus Station – Amendment of Lease Agreement with GWBBS Development Venture LLC*

***Request:***

- *This item authorizes the amendment of the lease (Lease) with George Washington Bridge Bus Station Development Venture LLC (the Developer) to provide for the completion of the redevelopment of the George Washington Bridge Bus Station (GWBBS).*

***Transaction Details:***

- *The proposed amendment would restructure the lease payments from the Developer to:*
    1. *Provide a deferment of base rent payments to the Port Authority from 2021-2025 to allow the Developer to absorb $19 million in additional project costs, which brings the developers minimum investment from $100 million to $119 million.*
    2. *Increase the total aggregate rental to the Port Authority for the remainder of the lease term from approximately $53 million to approximately $60.5 million.*
    3. *Increase the percentage rental due to the Port Authority from 8 percent to 10 percent of annual gross receipts in excess of the base rental beginning in 2045.*
- *Increase the Port Authority's fixed capital commitment by approximately $380,000, from $52.7 million to an amount not to exceed $53.1 million, to provide for additional project scope, including enhanced ADA accommodations, the cost of which would be funded through authorized project contingencies.*

***Background:***

- *This is the first major capital investment in the GWBBS since its construction in the 1960s.*
- *The Developer was selected via a Request for Proposals (RFP) process in 2006 and the Lease was executed in July 2011 for approximately 119,000 square feet of first-class retail (Leased Premises) for 49 years, with five 10-year renewal options at the Developer's discretion.*
- *To date, the Developer has provided upfront lease payments of $6.5 million.*
- *The Developer is responsible for financing, design, construction, operation and maintenance of the Leased Premises.*
- *The Developer is obligated to redevelop and construct a new bus station with consolidated transit facilities on behalf of the Port Authority.*

**GEORGE WASHINGTON BRIDGE BUS STATION – AMENDMENT OF LEASE AGREEMENT WITH GWBBS DEVELOPMENT VENTURE LLC**

It was recommended that the Board authorize the Executive Director, in connection with the George Washington Bridge Bus Station (GWBBS) Redevelopment Project, to: (1) restructure the lease agreement (Lease) between the Port Authority and GWBBS Development Venture LLC (DV) to: (a) provide for a deferral in DV's rental payments, from 2021 to 2025, to allow DV to absorb and finance additional project costs incurred for the redevelopment of the GWBBS; (b) increase DV's aggregate rental payments, from approximately $53 million to approximately $60.5 million; and (c) increase the percentage rental from eight percent to ten percent in the latter years of the Lease, beginning in 2045; and (2) increase, by approximately $380,000, the amount to be reimbursed by the Port Authority to DV for the cost of additional construction work requested by the Port Authority to address additional Americans with Disabilities Act (ADA) accommodations at bus gates, from $52.7 million to an amount not to exceed $53.1 million.

The redevelopment of the GWBBS pursuant to the Lease, upon completion, will improve the efficiency of bus operations, introduce new retail and bring new construction and permanent jobs to the surrounding community. DV was selected through a Request for Proposals process in 2006, and the Lease was executed in July 2011 for approximately 119,000 square feet of first-class retail space (Leased Premises) for 49 years, with five ten-year renewal options, at DV's discretion. DV is responsible for financing, designing, constructing, operating and maintaining the Leased Premises, and for commercially developing the Leased Premises, at an estimated cost of $100 million; and the total aggregate rental payable by the DV over the 49-year initial term of the Lease is approximately $53 million. In addition to its obligation to redevelop, lease and operate the Leased Premises, DV also is obligated under the Lease to redevelop and construct, on behalf of the Port Authority, a new bus station with consolidated transit facilities (the Bus Facility) within the GWBBS, for a fixed price of $52.7 million.

Due to challenges encountered during construction and inflation, DV's cost for the project has increased from approximately $100 million to approximately $119 million. Although DV has secured an additional $19 million in financing to invest in the project, a restructuring of the rental payments under the Lease would be necessary to enable DV to absorb this additional level of financing.

Under this proposed authorization, guaranteed base rent payments would be deferred for the period from 2021 to 2025, but would be offset by an increase in such payments from the lease year beginning 2030 through the lease year beginning in year 2047, which would increase the aggregate rental over the term of the Lease from $53 million to $60.5 million, to maintain the previously authorized net present value of the project. As an added benefit to the Port Authority, the percentage rental to be paid by DV would increase from eight percent to ten percent in the latter years of the Lease term.

The Lease originally provided for substantial completion of the entire project (both the Leased Premises and the Bus Facility) by March 31, 2016. However, DV has indicated that construction will not be substantially completed until the fourth quarter of 2016. The Port Authority has negotiated an agreement whereby the required completion date would be extended to no later than November 30, 2016, and in exchange, DV, effective April 1, 2016, would pay the Port

Authority approximately $5,000 per workday to mitigate the additional costs to be incurred by the Port Authority for monitoring the construction work.

At the request of the bus carriers serving the GWBBS, the pre-approved gate design for the Bus Facility will be modified to provide improved ADA access, egress, and overall mobility to and from buses. Because this modification is a revision of the approved project scope of work, it requires a change order under the Lease and authorization for the additional cost, which is expected to be approximately $380,000. This would increase the amount of reimbursement to DV from $52.7 million to an amount not to exceed $53.1 million.

Pursuant to the foregoing report, the following resolution was adopted.

**RESOLVED,** that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, in connection with the George Washington Bridge Bus Station (GWBBS) Redevelopment Project, to: (1) restructure the lease agreement (Lease) between the Port Authority and GWBBS Development Venture LLC (DV) to: (a) provide for a deferral in rental payments from 2021 to 2025, to allow DV to absorb and finance additional project costs incurred for the redevelopment of the GWBBS; (b) increase DV's aggregate rental payments, from approximately $53 million to approximately $60.5 million; and (c) increase the percentage rental from eight percent to ten percent in the latter years of the Lease, beginning in 2045; and (2) increase, by approximately $380,000, the amount to be reimbursed by the Port Authority to DV for the cost of additional construction work requested by the Port Authority to address additional Americans with Disabilities Act accommodations at bus gates, bringing the total amount to be reimbursed from an amount not to exceed $52.7 million to an amount not to exceed $53.1 million; all substantially in accordance with the terms outlined to the Board; and it is further

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

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

(Board – 3/24/16)

### *3. Agreement with the National Oceanic and Atmospheric Administration for the Operation and Maintenance of the Physical Oceanographic Real-Time System*

***Request:***

- *This item authorizes an agreement with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) National Ocean Service for the operation and maintenance of the Physical Oceanographic Real-Time System (PORTS) at an estimated total cost of $461,620, for which NOAA would utilize $112,000 in unspent authorized funds from the prior agreement and the Port Authority would provide the remaining funding in the amount of $349,620.*
- *Authorization is also requested for the Executive Director to enter into future agreements with NOAA for the operation and maintenance of PORTS beyond April 2020.*

***Transaction Details:***

- *The proposed agreement would commence on May 1, 2016 for a four-year term.*
- *NOAA has advised that $112,000 in unspent funds remain under the current agreement, which would be utilized for operating and maintenance costs incurred from May 1, 2016 through April 30, 2017. The Port Authority would provide $349,620 in funds for operating and maintenance costs incurred from May 1, 2017 through April 30, 2020.*

***Background:***

- *PORTS is a hydrologic data collection and dissemination system consisting of sensors, communication lines and computer software that was developed by the National Ocean Service, a division of NOAA, and first initiated in the Port of New York and New Jersey (Port) in August 1994 as a demonstration program.*
- *The system provides accurate information regarding tides and currents, wind speed and direction and air draft under the Bayonne and Verrazano-Narrows Bridges (Bridges), and is critical to ensure the maximum cargo capacity and safe navigation of vessels calling at the Port.*
- *Under the terms of the PORTS program, a local sponsor must pay for ongoing system operation and maintenance unless other sources of funding are identified.*
- *The current agreement with NOAA for PORTS, which was authorized by the Board in March 2013 for a three-year period at a total cost to the Port Authority of $450,000, will expire on April 30, 2016.*

**AGREEMENT WITH THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION FOR THE OPERATION AND MAINTENANCE OF THE PHYSICAL OCEANOGRAPHIC REAL-TIME SYSTEM**

It was recommended that the Board authorize the Executive Director to enter into: (1) an agreement with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), National Ocean Service, to provide for the operation and maintenance of the New York/New Jersey Physical Oceanographic Real-Time System (PORTS) for a four-year period, from May 1, 2016 through April 30, 2020, at an estimated total cost of $461,620, of which amount NOAA would utilize $112,000 in unspent funds that remain under the current agreement for PORTS operating and maintenance costs incurred from May 1, 2016 through April 30, 2017, and the Port Authority would provide $349,620 for PORTS operating and maintenance costs incurred from May 1, 2017 through April 30, 2020; and (2) future agreements with NOAA for the operation and maintenance of PORTS beyond April 2020, to ensure its continued availability to support safe navigation for vessels using the Port Authority's marine terminal facilities.

PORTS is a hydrological data collection and dissemination system consisting of sensors, communication lines and computer software developed by NOAA. The program, which is critical to ensure the maximum cargo capacity and safe navigation of vessels calling at the Port of New York and New Jersey, allows ship operators to access real-time data to increase the amount of cargo they can carry consistent with safe navigation and environmental protection of natural resources, and provides opportunities to capitalize on the commercial potential of the Port of New York and New Jersey.

Start-up costs were absorbed by NOAA during the system's development. However, under the terms of the PORTS program, a local sponsor of the system must pay for its ongoing operation and maintenance unless other sources of funding are identified. The Port Authority, as authorized by the Board in October 2001, funded the program directly from October 2001 through September 2002, at an annual cost of $262,000. For the periods of May 1, 2003 through April 30, 2009, the States of New York and New Jersey agreed to fund PORTS through the Bi-State Dredging Program, at an average annual cost of approximately $198,000, and requested that the Port Authority continue to administer the PORTS contract with NOAA on their behalf. The Board authorized the Executive Director to enter into those extensions in July 2003, June 2004, June 2005 and July 2007.

The Port Authority was successful in obtaining federal funding for the operation and maintenance of PORTS from May 2008 through April 2011, through appropriations in the United States Government's budgets for Fiscal Years (FY) 2008 through 2011; therefore, the use of funds from the Bi-State Dredging Program or Port Authority operating funds was not required. However, federal funding was not appropriated in the U.S. Government budgets for FY 2011, 2012 or 2013 for the operation and maintenance of PORTS from May 2011 through April 2013. Consequently, NOAA utilized federal contingency monies that accrued from previous years for PORTS' operating and maintenance costs. On March 20, 2013, the Board authorized the Executive Director to enter into an agreement with NOAA for the operation and maintenance of PORTS for a three-year period at a total cost to the Port Authority of $450,000.

The current agreement with NOAA will expire on April 30, 2016. Because maintaining confidence in port safety is a critical objective of the Port Authority, it was recommended at this time that the Port Authority enter into an agreement with NOAA for the operation and maintenance

of PORTS for a four-year period, from May 1, 2016 through April 30, 2020, at a total cost of approximately $461,620. Of that amount, NOAA would utilize $112,000 in unspent funds that remain under the current agreement for operating and maintenance costs incurred from May 1, 2016 through April 30, 2017, and the Port Authority would provide a total amount of $349,620 for operating and maintenance costs incurred from May 1, 2017 through April 30, 2020. In the event that outside funding sources are secured for all or a portion of the term of the currently proposed agreement, those monies would be utilized to reduce the amount of the Port Authority's contribution toward the operating and maintenance costs associated with PORTS.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) agreements and/or amendments to agreements with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), National Ocean Service, to provide for the operation and maintenance of the New York/New Jersey Physical Oceanographic Real-Time System (PORTS) for a four-year period, from May 1, 2016 through April 30, 2020, at an estimated total cost of $461,620, of which amount NOAA will utilize $112,000 in unspent funds that remain under the current agreement for PORTS operating and maintenance costs incurred from May 1, 2016 through April 30, 2017, and the Port Authority will provide $349,620 for PORTS operating and maintenance costs incurred from May 1, 2017 through April 30, 2020; and (2) future agreements with NOAA for the operation and maintenance of PORTS beyond April 2020; 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 the General Counsel or his authorized representative.

(Board – 3/24/16)

**4. *Newark Bay, Port Newark and Port Newark Branch Channels – Federal Maintenance Dredging – Agreement with U.S. Department of the Army and Funding for Upland Placement***

***Request:***

- *This item seeks authorization to enter into an agreement with United States Department of the Army, Army Corps of Engineers (Corps), to provide for the Corps to dredge and place approximately 313,900 cubic yards of material from the Newark Bay, Port Newark and Port Newark Branch Channels (Channels), with the Port Authority to fund the cost differential between dredging and ocean placement of the dredged material and dredging, processing and placement at an upland facility, of which $2.85 million would be provided through the Corps, as authorized by the Water Resources Reform and Development Act of 2014 (WRRDA 2014) and appropriated by the United States Congress (Congress), and $10 million would be provided by the Port Authority.*

***Transaction Detail:***

- *Work is expected to commence in the third quarter of 2016 and be completed in the fourth quarter of 2016. The Corps would be responsible for fulfilling all environmental and regulatory requirements, including applicable testing and the securing of all necessary federal and state permits.*
- *Work would restore a portion of the Channels to their authorized depth of 40 feet.*

***Background:***

- *In May 1986, the Port Authority and the Corps executed a Local Cooperation Agreement (LCA) to deepen the Channels to a depth of 40 feet. The LCA requires that the Corps maintain the channels at their dredged depth and that if the dredged material cannot be disposed of in the ocean at the Historic Area Remediation Site (HARS), the Port Authority, as the local sponsor, would be responsible for the incremental cost of providing an alternate placement site.*
- *In August 2013, the Corps advised that up to 985,000 cubic yards of material needed to be dredged from certain areas of the Channels to restore them to their authorized depth of 40 feet. Because sufficient funds were neither budgeted by the Port Authority nor appropriated by the Congress at that time, the affected areas in the Channels were prioritized by both agencies.*
- *In early 2015, the Corps advised that it had sufficient funding for its share to dredge approximately 210,000 cubic yards of material from the Channels. In March 2015, the Board authorized the Executive Director to enter into an agreement with the Corps to provide for the dredging of approximately 210,000 cubic yards of material from the Channels at a total estimated cost of $15.75 million, and for the Port Authority to fund the cost differential between dredging and ocean placement of the dredged material and dredging, processing and placement at an upland facility, at a cost to the Port Authority estimated at $12 million. That work, which resulted in the removal of 297,000 cubic yards of material, was completed in December 2015.*
- *Accounting for annual sedimentation, it is estimated that approximately 700,000 cubic yards of maintenance material remains in the Channels. The Corps has recently advised that it has sufficient funding for its share to dredge approximately 313,900 cubic yards of material from the Channels, which will not meet federal standards for placement at the HARS but is suitable for processing and placement upland.*

**NEWARK BAY, PORT NEWARK AND PORT NEWARK BRANCH CHANNELS – FEDERAL MAINTENANCE DREDGING – AGREEMENT WITH UNITED STATES DEPARTMENT OF THE ARMY – FUNDING FOR UPLAND PLACEMENT**

It was recommended that the Board authorize the Executive Director to enter into an agreement with the United States Department of the Army, Army Corps of Engineers (Corps), in connection with the federal maintenance dredging of the Newark Bay, Port Newark and Port Newark Branch Channels (collectively, the Newark Bay Channels) by the Corps, to remove approximately 313,900 cubic yards of dredged material, with the Port Authority to fund the $12.85 million differential between the cost of dredging and ocean placement of the material, and the cost of dredging, processing and placement of the dredged material at an upland facility, of which amount $2.85 million would be provided through the Corps, as authorized by the Water Resources Reform and Development Act of 2014 (WRRDA 2014) and appropriated by the United States Congress (Congress), and $10 million would be provided by the Port Authority.

On May 30, 1986, the Port Authority and the Corps executed a Local Cooperation Agreement (LCA) to deepen the Kill Van Kull and Newark Bay Channels to a depth of 40 feet. The LCA also requires the Corps to maintain the channels at the depth to which they were dredged. The LCA anticipates that ocean placement of dredged material would be available at the Historic Area Remediation Site (HARS), and provides that if the dredged material could not be placed in the ocean at the HARS, the Port Authority would be responsible for providing an alternate placement site.

By Public Notice dated August 25, 2013, the Corps advised that up to 985,000 cubic yards of material needed to be dredged from certain areas of the Newark Bay Channels to restore them to their authorized depth of 40 feet. Because sufficient funds to dredge all 985,000 cubic yards were neither budgeted by the Port Authority nor appropriated by Congress at that time, the affected areas in the Newark Bay Channels were reviewed and prioritized by both agencies. In early 2015, the Corps advised the Port Authority that it had sufficient funding to dredge approximately 210,000 cubic yards of material. On March 19, 2015, the Board authorized the Port Authority to enter into an agreement with the Corps, pursuant to which the Corps would dredge and remove approximately 210,000 cubic yards of material from the Newark Bay Channels, and the Port Authority would fund the cost differential between dredging and ocean placement of the dredged material, and dredging, processing and placement of the dredged material at an upland facility, at a cost share estimated at $12 million.

The Corps recently advised the Port Authority that it has funding available to dredge approximately 313,900 cubic yards of material from the Newark Bay Channels in 2016. Because the material to be dredged would not meet federal standards for ocean placement at the HARS, it would be placed at a permitted upland placement site within New York or New Jersey, with the non-federal-sponsor cost-share estimated at $12.85 million. Of that amount, $2.85 million would be provided through the Corps under WRRDA 2014, and $10 million would be provided by the Port Authority.

It is anticipated that work would commence during the third quarter of 2016. The Corps would be responsible for fulfilling all environmental and regulatory requirements, including applicable testing, and would acquire all necessary federal and state permits. In addition, the Corps would require bidders to identify an approved and operating upland placement site, and to provide all approvals necessary to use the site, including the sampling and testing of the material.

This work would help ensure the continued safe navigation of vessels calling at the Port of New York and New Jersey.

Pursuant to the foregoing report, the following resolution was adopted:

**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 United States Department of the Army, Army Corps of Engineers (Corps), in the form required by the Corps pursuant to federal law or Corps policy, pursuant to which the Corps will dredge and remove approximately 313,900 cubic yards of material from the Newark Bay, Port Newark and Port Newark Branch Channels, and the Port Authority will fund the $12.85 million differential between the cost of dredging and ocean placement of the dredged material, and the cost of dredging, processing and placement of the dredged material at an upland facility, of which amount $2.85 million will be provided through the Corps, as authorized by the Water Resources Reform and Development Act of 2014 and appropriated by the United States Congress, and $10 million will be provided by the Port Authority; and it is further

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

(Board – 3/24/16)

5. ***George Washington Bridge – Rehabilitation of Center Avenue and Lemoine Avenue Bridges – Project Authorization***

***Request:***

- *This item seeks authorization for a $90.9 million project for the rehabilitation of the Center Avenue and Lemoine Avenue Bridges at the George Washington Bridge (GWB).*

***Transaction Details:***

- *Work will include replacement of concrete deck, sidewalks, and parapets on the Center and Lemoine Avenue Bridges and seismic retrofit, as well as repairs to the existing substructures and roadways, and related site work. In addition, for Center Avenue Bridge, the project also includes the replacement of existing concrete girders with steel girders for three spans and modifications to five piers and replacement of the water main supported under the deck.*
- *Authorization also includes a $3 million increase (from $1.9 million to $4.9 million) to an existing agreement with Hardesty & Hanover, LLP to provide additional expert professional architectural and engineering services.*

***Background:***

- *The Center Avenue and Lemoine Avenue Bridges, which were built in stages between 1935 and 1965, span over the approach roadways for the GWB in New Jersey.*
- *The Center Avenue Bridge was last rehabilitated in the late 1980s and the Lemoine Avenue Bridge was partially rehabilitated in the late 1990s. Based on recent inspections and known conditions, comprehensive rehabilitation of both structures is required.*
- *The Board authorized planning in the amount of $3.4 million on February 9, 2012.*

**GEORGE WASHINGTON BRIDGE REHABILITATION PROGRAM – REHABILITATION OF CENTER AVENUE AND LEMOINE AVENUE BRIDGES - PROJECT AUTHORIZATION AND AUTHORIZATION OF INCREASE IN ARCHITECTURAL AND ENGINEERING SERVICES**

It was recommended that the Board authorize: (1) a project for the rehabilitation of the Center Avenue and Lemoine Avenue bridges over approach roadways that serve the George Washington Bridge (GWB), at an estimated total project cost of $90.9 million; and (2) the Executive Director to increase, by $3 million, the amount of an existing agreement with Hardesty & Hanover, LLP (Hardesty) to provide for expert professional architectural and engineering services beyond Stage I services in connection with the project, increasing the total authorized amount of that agreement from $1.9 million to $4.9 million (the cost of which is included in the total project cost).

The Center Avenue and Lemoine Avenue bridges span over the approach roadways for the GWB in New Jersey. Both bridges were built by the Port Authority in stages between 1935 and 1965. The Center Avenue bridge was last rehabilitated in the late 1980s. The Lemoine Avenue bridge was partially rehabilitated in the late 1990s. Although this limited rehabilitation work extended the service life of each structure, rehabilitation of both bridges is required in order to maintain a state of good repair.

The recommended scope of work for the proposed project includes: replacing concrete deck, sidewalks, and parapets in all spans of both the Center Avenue and Lemoine Avenue bridges; seismically retrofitting both bridges; repairing the existing substructures of both bridges; and replacing existing roadway and underdeck lighting for both bridges. For the Center Avenue bridge, the project scope also includes the replacement of existing concrete girders with steel girders for three spans and modifications to five piers. The existing water main supported under the deck of the Center Avenue bridge also would be replaced. Turn improvements would be made at the intersection of Center Avenue and Bruce Reynolds Boulevard. Spalled concrete on the underside of the Linwood Avenue bridge also would be repaired.

On February 9, 2012, the Board authorized the expenditure of a total amount of $233 million for planning, final engineering and construction work in connection with the GWB Rehabilitation Program, including $3.4 million for planning and preliminary design work for the rehabilitation / replacement of the Center Avenue and Lemoine Avenue bridges. As part of that planning authorization, the Executive Director was authorized to retain Hardesty to perform architectural and engineering services to support the planning effort, at an estimated cost of $1.9 million. At that time, the Board was advised that authorization of an additional amount of $2 million for the agreement with Hardesty would be sought in the future. An incremental increase of $1 million in the amount of that agreement (which would increase the total authorized amount to $4.9 million) currently is being requested, in order to accommodate additional services, including additional traffic studies and analyses, evaluation of additional construction staging alternatives, addressing routine and safety repairs for the Center Avenue ramps, seismic upgrading of the Lemoine Avenue bridge, Center Avenue turn improvements, replacing the heating system for the Lemoine Avenue bridge sidewalks, and performing priority repairs at the Linwood Avenue bridge.

The project would require lane narrowing and turning restrictions on the Center Avenue and Lemoine Avenue bridges during construction, which could result in negative impacts to traffic on the local street network. In order to alleviate those impacts, mitigation measures, including detours, would be implemented. In addition, the work would be carefully coordinated with other ongoing construction projects to minimize potential traffic impacts.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that a project for the rehabilitation of the Center Avenue and Lemoine Avenue bridges over approach roadways that serve the George Washington Bridge, at an estimated total project cost of $90.9 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 increase, by $3 million, the amount of an existing agreement with Hardesty & Hanover, LLP to provide for expert professional architectural and engineering services beyond Stage I services in connection with the foregoing project, increasing the total authorized amount of that agreement from $1.9 million to $4.9 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 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 all documents and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

(Board – 3/24/16)

6. ***Newark Liberty International Airport - Terminal A Redevelopment – Program Authorization and Authorization of Funding for Certain Program Elements***

***Request:***

- *This item authorizes a program for the redevelopment of Terminal A at Newark Liberty International Airport (EWR) consisting of four major program elements- terminal building, parking garage, landside elements, and airside elements- as well as program management and ongoing design services at a total estimated cost of $2.3 billion, including $105 million previously authorized for planning efforts.*
- *Included in this authorization is the expenditure of $196.3 million to:*
    - *Implement a project to construct two new bridges (Bridges N58 & N59) and associated utility relocations and re-grading, which is critical path infrastructure required to support the program schedule at a total project cost of $67.3 million ($4 million of which was previously authorized to accommodate design services for the project);*
    - *program management services, design, implementation oversight and integrity monitoring services to support the implementation of the program at an estimated cost of $125.8 million; and*
    - *agreements as required to accommodate environmental regulatory agency requirements for the program, as necessary, at an estimated cost of $7.2 million.*
- *Also included, is authorization for the Executive Director to take certain other actions as outlined below and to submit an application for up to $196.3 million in Passenger Facility Charges.*

***Transaction Details:***

- *Program elements authorized under the expenditure include:*
    - *agreement(s) to be awarded pursuant to a publicly-advertised Request for Proposals (RFP) process for professional program and project delivery support services for a period of five years with discretion to extend this agreement for up to four additional one-year terms at an estimated total cost not to exceed $55 million;*
    - *agreement(s) pursuant to a publicly-advertised RFP process for expert professional architectural and engineering services to design four additional bridge structures that are required to support the Redevelopment Program at an estimated cost of $6 million;*
    - *extension of an existing agreement with Pierce Goodwin Alexander & Linville, Inc., dba PGAL, Inc. for expert professional planning, architectural and engineering services to support the program for a period of five years with discretion to extend this agreement for up to four additional one-year terms at an estimated total cost of $36 million;*
    - *Award a contract for construction of Bridges N58 & N59 at a total estimated amount of $47.7 million, inclusive of net cost, and extra work; and*
    - *an agreement pursuant to a publicly-advertised RFP process for professional integrity monitoring services for a period of five years with discretion to extend this agreement for up to four additional one-year terms at an estimated total cost not to exceed $17.5 million.*

***Background:***

- *This program would provide for the complete redevelopment of Terminal A, including a new terminal building, a parking garage complex; landside elements including roadway, utility and bridge work; and airside elements inclusive of site clearance, utility work, and airside paving at EWR at a total estimated cost of $2.3 billion.*
- *The existing Terminal A opened for air passenger traffic in 1973. Now, over 40 years later, the Terminal does not meet the standards of a modern airport, is at the end of its useful life and is in need of significant investment to maintain a state of good repair.*
- *Planning for alternatives to upgrade or replace Terminal A were initiated in 2004 and the recommendation from the Phase I Planning effort was to redevelop Terminal A completely, along with its associated roadways, parking structures and utility systems.*
- *Prior Board actions through July 2015 covered planning, design and cost estimating efforts as well as certain early action construction work (Bridge N57 connecting the Central Terminal Area with Carson Road) at an aggregate amount of $105 million (including $4 million in planning associated with the project to design and construct two additional bridges, being authorized herein).*
- *The expenditure of additional funds to implement the program is subject to future Board authorization(s).*

**NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL A REDEVELOPMENT – PROGRAM AUTHORIZATION AND AUTHORIZATION OF FUNDING FOR CERTAIN PROGRAM ELEMENTS**

It was recommended that the Board authorize: (1) a program for the redevelopment of Terminal A (Redevelopment Program) at Newark Liberty International Airport (EWR), at an estimated total program cost of $2.3 billion; (2) the expenditure of an amount of up to $196.3 million to implement certain elements of the Redevelopment Program, inclusive of certain critical path work and contractual agreements that will be required to support the implementation of the Redevelopment Program, and is composed of: (a) a project for the construction of two new bridges spanning the Peripheral Ditch (Bridges N58 and N59) and related site work, at an estimated cost of $67.3 million ($4 million of which was authorized previously, to accommodate design services for the project); (b) program management, design, implementation oversight and integrity monitoring services, at an estimated cost of $125.8 million, required to support the development and implementation of the Redevelopment Program; and (c) expenditures for any necessary mitigation actions in connection with the Redevelopment Program, as needed to meet applicable environmental regulatory agency requirements, at an estimated cost of $7.2 million; and (3) the Executive Director to: (a) enter into an agreement(s) for professional program and project delivery support services, on a "call in" basis for a five-year term, with an option to extend the agreement for up to four additional one-year periods, to be procured pursuant to a publicly advertised Request for Proposals (RFP) process, at an estimated total cost of $55 million; (b) enter into an agreement(s) for expert professional architectural and engineering services to design four additional bridge structures and associated civil, electrical and environmental elements required to support the Redevelopment Program roadway network, to be procured pursuant to a publicly advertised RFP process, at an estimated cost of $6 million; (c) extend an existing agreement with Pierce Goodwin Alexander & Linville, Inc. d/b/a PGAL, Inc. (PGAL) for the continued performance of expert professional planning, architectural and engineering services, on an "as needed" basis, to support the Redevelopment Program for a five-year period, with an option to extend the agreement for up to four additional one-year periods, at an estimated total cost of $36 million; (d) enter into an agreement for professional integrity monitoring services on an "as needed" basis to support the Port Authority Office of Inspector General fraud prevention program and the Redevelopment Program for a five-year term, with options to extend the agreement for up to four additional one-year periods, to be procured pursuant to a publicly advertised RFP process, consistent with the terms outlined to the Board; (e) award a contract for the construction of Bridges N58 and N59 and associated site work, at a total estimated amount of $47.7 million, inclusive of net cost work and extra work; (f) enter into agreements and undertake other actions that may be necessary to accommodate mitigation requirements for the Redevelopment Program, in order to comply with applicable environmental regulatory agency requirements; and (g) submit an application to the Federal Aviation Administration (FAA) for the use of up to $196.3 million in Passenger Facility Charges (PFCs) to recover expenditures associated with these Redevelopment Program efforts.

Terminal A opened for air passenger traffic in 1973. It no longer meets the standards of a modern airport, is at the end of its useful life, and is in need of significant investment to maintain state of good repair. In addition, Terminal A is at its capacity to meet today's demands for frontage, building and airside space.

Through prior actions from May 20, 2004 through July 23, 2015, the Board authorized planning and early-action construction work to support the phased development of the Redevelopment Program, at an aggregate amount of $105 million, and authorized the submission of applications to the FAA for the collection and use of up to $105 million in PFCs to recover expenditures associated with the Redevelopment Program.

The phased planning effort resulted in the proposed Redevelopment Program, which is composed of four overarching elements: a new approximately 1-million-square-foot, modern terminal building with 33 aircraft gates; a 3,000-space parking garage complex with convenient connections to the terminal and AirTrain; landside elements, including a new arrivals and departures roadway network to the Central Terminal Area, utilities and bridges; and airside elements, including a new airfield configuration and all necessary associated infrastructure to serve the new terminal building.

The proposed authorization would accommodate $196.3 million of expenditures to support the implementation of certain critical path elements of the Redevelopment Program, as well as contracts and other agreements that would be necessary to support implementation of the entire program, and would include: (1) the expenditure of an estimated amount of up to $7.2 million to execute any necessary mitigation actions for the Redevelopment Program, as required to meet applicable environmental regulatory agency requirements; (2) the allocation of $10.7 million to cover in-house staffing costs, including necessary Redevelopment Program management project positions and Engineering Department staff and project positions, through 2017; (3) professional engineering consultant services, at an estimated cost of up to $7.1 million ($6 million via a RFP for bridge design work and $1.1 million through existing call-in agreements); (4) professional program management and project delivery support services, at an estimated cost of up to $55 million; (5) the extension of PGAL's agreement for professional planning, architectural and engineering services, on an "as needed" basis, for the remainder of the Redevelopment Program; (6) retention of professional integrity monitoring services on an "as needed" basis, to support the Port Authority Office of Inspector General fraud prevention program for the duration of the Redevelopment Program; and (7) the expenditure of an estimated amount of $63.3 million, of the total project cost of $67.3 million, for the construction of Bridges N58 and N59 (the expenditure of $4 million for design services was authorized in July 2015).

In 2011, the FAA concurred that an Environmental Assessment (EA) is the appropriate level of National Environmental Policy Act analysis for the Redevelopment Program. A draft EA has been prepared and is being updated for FAA and public review and comment.

Funding for the other elements of the Redevelopment Program referenced herein would be subject to future authorization by the Board.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that a program for the redevelopment of Terminal A (Redevelopment Program) at Newark Liberty International Airport (EWR) be and it hereby is authorized, at a total estimated program cost of $2.3 billion, including the expenditure of up to $196.3 million for certain elements of the Redevelopment Program composed of: (1) a project for the construction of two new bridges (N58 and N59) spanning the Peripheral Ditch and related site work, at an estimated total project cost of $67.3 million (inclusive of $4 million for associated design services authorized in July 2015); (2) program management, design, implementation oversight and integrity monitoring services, at an estimated cost of $125.8 million, required to support the development and implementation of the Redevelopment Program; and (3) expenditures for any necessary mitigation actions in connection with the Redevelopment Program, as needed to meet applicable environmental regulatory agency requirements, at an estimated cost of $7.2 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: (1) enter into an agreement(s) for professional program and project delivery support services, pursuant to a publicly advertised Request for Proposals (RFP) process expected to commence in the second quarter of 2016, on a "call in" basis for a five–year term, with an option to extend the agreement for up to four additional one-year periods, at an estimated total cost not to exceed $55 million; (2) enter into an agreement(s), pursuant to a publicly advertised RFP process expected to commence in the second quarter of 2016, for expert professional architectural and engineering services to design four additional bridge structures and associated civil, electrical and environmental elements required to support the Redevelopment Program roadway network, at an estimated cost of $6 million; (3) enter into an agreement for professional integrity monitoring services, on an "as needed" basis, to support the Port Authority Office of Inspector General fraud prevention program and the Redevelopment Program for a five-year term, with options to extend the agreement for up to four additional one-year periods, consistent with the terms outlined to the Board; (4) award a contract for the construction of Bridges N58 and N59 and associated site work, at a total estimated amount of $47.7 million, inclusive of net cost work and extra work; and (5) enter into agreements and undertake other actions that may be necessary to accommodate mitigation requirements for the Redevelopment Program, in order to comply with applicable environmental regulatory agency requirements pertaining to the Redevelopment Program, and to take action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith, or which are a logical and reasonable outgrowth of the matters described herein; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, extend an existing agreement with Pierce Goodwin Alexander & Linville, Inc., d/b/a PGAL, Inc. for the continued performance of expert professional planning, architectural and engineering services, on an "as needed" basis, to support the Redevelopment Program for a period of five years, with an option to extend the agreement for up to four additional one-year periods, at an estimated total cost of $36 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 certain actions pertaining to the submission of an application to the Federal Aviation Administration for the collection and use of up to $196.3 million Passenger Facility Charges to recover expenditures associated with the foregoing Redevelopment Program efforts; and it is further

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

(Board – 3/24/16)

7. ***LaGuardia Airport Redevelopment Program – Authorization of the LaGuardia Airport Redevelopment Program and Lease Agreement for New Terminal B Project, Central Hall and Supporting Infrastructure Project***

***Request:***

- *This item authorizes the LaGuardia (LGA) Redevelopment Program, consisting of three major elements: (i) the previously authorized LGA Capital Infrastructure Renewal Program (LGACI Program), (ii) the New Terminal B, Central Hall, and Supporting Infrastructure, (collectively the "New Terminal B Project") and (iii) Airport-Wide Support, at a total authorized capital cost to the Port Authority of $3.5 billion, which together with private sector funding by LaGuardia Gateway Partners LLC (LGP) of approximately $1.8 billion for the design and construction of the New Terminal B will lead to approximately $5.3 billion in cumulative total investment since 2004 under the Program.*
- *The item includes authorization to enter into a lease agreement with LGP to implement the New Terminal B Project as part of the LGA Redevelopment Program.*

***Transaction Details:***

- *The lease with LGP would provide for implementation of the New Terminal B Project at a total fixed price design and construction cost of $4.015 billion, inclusive of an extra work allowance. Under the proposed lease, LGP would:*
  *(i) design, build, finance, operate and maintain the New Terminal B at a total estimated design and construction cost of $2.8 billion, for which the Port Authority will contribute up to $1 billion for Passenger Facility Charge (PFC) eligible expenditures and LGP will finance the balance of approximately $1.8 billion; and*
  *(ii) design and build on behalf of the Port Authority certain Supporting Infrastructure for the New Terminal B at a total estimated design and construction cost to the Port Authority of $856 million; and*
  *(iii) design, build, operate and maintain a new Central Hall on behalf of the Port Authority at a total estimated design and construction cost to the Port Authority of $310 million. LGP would operate and maintain the Central Hall for a limited period of approximately seven years from its substantial completion at an estimated cost of approximately $34 million (not included in the design and construction cost).*
- *The proposed authorization would include certain Port Authority expenditures to support, oversee, and monitor the New Terminal B Project including:*
  *(i) up to $225 million for Port Authority direct and indirect staff costs, allocated overhead and other costs including financial expense; and*
  *(ii) up to $190 million for third-party consultant costs.*
- *The proposed authorization would also include Port Authority reserves and expenditures to support airport-wide redevelopment ("Airport Wide Support") composed of:*
  *(i) an airport-wide reserve of approximately $182 million to cover any future potential Port Authority responsibilities and liabilities in connection with the proposed lease or other airport-wide impacts related to ongoing construction and operations during the LGA Redevelopment Program; and*
  *(ii) actions to be taken by the Executive Director in connection with third-party agreements with both public and private parties for certain Port Authority project costs allocated in connection with the Program at an estimated cost of approximately $69.6 million.*

- *This item also authorizes the expenditure of $34 million for the operation and maintenance of the Central Hall.*
- *This item also authorizes the submittal of an application to the Federal Aviation Administration (FAA) for the collection and use of up to $1 billion PFCs to provide for recovery of the costs for certain work in support of the New Terminal B and up to $500 million PFCs to recover costs for certain work related to the Supporting Infrastructure and the LGACI Program, net of prior applications for LGACI Program work.*
- *This item also authorizes a lease agreement with the design-build joint venture of Skanska USA Building, Inc., Skanska USA Civil, Inc. and Walsh Construction Company 2 LLC, to build out, use and occupy office space at Hanger 5A and certain adjacent paved areas for a seven year term.*

***Background:***

- *LGA's existing Central Terminal Building, also known as Terminal B ("Terminal B") opened to the public in 1964 with a design capacity of 8 million annual air passengers. Expanded from approximately 750,000 to 835,000 square feet and upgraded in the 1990s, Terminal B served 13.5 million passengers in 2014.*
- *Terminal B and associated airport infrastructure has become functionally inefficient, based on current passenger and industry standards. These inefficiencies will only be exacerbated with demand forecasts projecting 34 million passengers at LGA by 2030, with 17.5 million passengers using Terminal B.*
- *Prior LGA Redevelopment Program authorizations between May 2004 and February 2016 totaled $1.01 billion- $406.6 million of which is subsumed in this current authorization- and $604.5 million related to projects under the LGA Capital Infrastructure Program (LGACI Program), a collection of projects to be performed by the Port Authority or its contractors that address short- and long-term infrastructure needs at LGA, such as utility and electrical infrastructure, parking, roadways, bridges, and demolition and improvement of select old buildings, which have independent utility and are substantially complete.*
- *At its May 2015 meeting, the Board selected LGP pursuant to a competitive RFP selection process to implement the New Terminal B Project, and authorized the Executive Director to enter into an exclusive negotiating period with LGP, with the final agreed-to proposal subject to further Board approval.*
- *As subsequent negotiations progressed, the Board authorized three separate packages of early action construction work (Early Work) to be undertaken by LGP under an Early Work Agreement or by the Port Authority to meet critical milestones and maintain the overall Terminal B schedule. The authorizations also provided for associated construction management and program management, design and integrity monitoring services.*

**LAGUARDIA AIRPORT REDEVELOPMENT PROGRAM – AUTHORIZATION OF THE LAGUARDIA REDEVELOPMENT PROGRAM AND LEASE AGREEMENT FOR NEW TERMINAL B, CENTRAL HALL AND SUPPORTING INFRASTRUCTURE PROJECT**

It was recommended that in order to remedy the functional inefficiencies of Terminal B and related facilities and position the Airport to meet the needs of the 21st Century, the Port Authority is embarking on a major modernization and redevelopment program at the Airport, and that the Board authorize a program for the Redevelopment of LaGuardia Airport ("LGA") (the "LGA Redevelopment Program") consisting of the following elements: (1) a LGA Capital Infrastructure Renewal Program consisting of several projects which have been previously authorized by the Board, and are of independent utility, most of which have been completed or are nearly complete, to service immediate and long-term infrastructure needs at the Airport, including airfield improvements, roadways, a new East End substation and East Garage (the "LGA Capital Infrastructure Renewal Projects" or "LGACI Projects"); (2) a New Terminal B, consisting of the design, finance, construction, operation and maintenance of a new Terminal B and related facilities at the Airport, under a public-private partnership with LaGuardia Gateway Partners LLC, ("LGP") a private consortium, pursuant to the terms of the Lease described below; the design and construction of Supporting Infrastructure, and the design, construction, operation and maintenance of a new Central Hall, to be performed by LGP on a reimbursable basis pursuant to the terms of the Lease together, the "New Terminal B Project"; and (3) certain Airport-Wide Support redevelopment elements ("Airport Wide Support") consisting of an airport-wide reserve for future potential responsibilities and liabilities of the Port Authority related to construction activity at the airport, and entering into certain agreements with third-parties at a total cost to the Port Authority of $3.5 billion, which together with private sector funding from LGP of approximately $1.8 billion for the design and construction of the New Terminal B, will lead to a total of approximately $5.3 billion in cumulative total investment since 2004 in connection with the LGA Redevelopment Program and as outlined below.

**<u>Background and Prior Board Action</u>**

The existing Central Terminal Building, also known as Terminal B ("Terminal B") at LaGuardia Airport (the "Airport"), opened to the public in 1964 with a design capacity of 8 million annual air passengers. Expanded from approximately 750,000 to 835,000 square feet and upgraded in the 1990s, Terminal B served 13.5 million passengers in 2014. Terminal B consists of a four-story central section, two three-story wings and four concourses that can accommodate up to 35 aircraft gate positions. Terminal B has become functionally inefficient, based on current passenger and industry standards. These inefficiencies will only be exacerbated as demand increases. The Port Authority forecasts that passenger traffic at the Airport will reach 34 million passengers by 2030, with 17.5 million passengers using Terminal B, a 1.5-percent annual growth from 2014 through 2030. In addition, Terminal B is disconnected from adjacent Terminals C and D after years of sporadic and fragmented redevelopment at the Airport and nearly every component of the existing infrastructure serving the separate Terminals at the Airport is past its useful life and is undersized for current passenger demand.

During the 1990's, the Port Authority, tenant airlines, and third-party concession developers invested several hundred million dollars in improvements to the terminal's ticketing, baggage, public spaces, and concessions through a series of Board authorizations for a variety of expansion and improvement projects. The final phase of that era's redevelopment program was to be the modernization of the four concourses serving Terminal B. In 2000, early planning work was authorized for what was termed the 'LGA Modernization Program,' followed by discussions with tenant airlines in early 2001 to identify deficiencies in the facility that a modernization program should address. However, with the decline of air traffic following September 11, 2001, stricter safety measures subsequently mandated by the TSA, and changes in aircraft fleet, those early planning efforts paused, and then later evolved into the Central Terminal Building Modernization Program planning effort beginning in 2004.

Through prior actions from May 2004 through February 2016, the Board authorized the expenditure of an aggregate amount of $1.01 billion for the LGA Redevelopment Program. These prior authorizations were for (i) planning and design services for the New Terminal B Project (including planning for replacing the Central Terminal Building) and other elements of the LGA Redevelopment Program, (ii) the LGACI Projects, including the East End Garage, East End Substation, Demolition of Hangers 2 & 4, Hanger 7 South Improvements, certain general contracting work orders to support airport electrical and other infrastructure improvements, and the West Garage, and (iii) certain early work relating to the Supporting Infrastructure. In 2014, the Supporting Infrastructure (including the West Garage) was included in the scope of the New Terminal B Project work for the purpose of efficiency of Program delivery and coordination of Airport-wide construction. Accordingly, the $406.6 million amount previously authorized by the Board for the planning, design and construction of the West Garage, as well as certain other previously authorized amounts described above, are subsumed in, and not in addition to, the expenditures authorized herein for the New Terminal B Project.

Through prior actions from March 2003 through October 2015 meetings, the Board authorized the submission of applications to the Federal Aviation Administration (the "FAA") for the collection and use of up to $468.7 million in passenger facility charges ("PFCs") in connection with the recovery of costs incurred with respect to certain early work relating to the Supporting Infrastructure and certain LGACI Projects, which amounts are subsumed in, and not in addition to, the PFC applications authorized herein for up to $1 billion in PFCs to provide for recovery of the costs for certain work in support of the New Terminal B Facilities, and for up to $500 million in PFCs to provide recovery for the costs for certain work in support of the Supporting Infrastructure and the LGACI Projects.

Actions previously taken by the Board, as well as the actions being taken today incorporate certain elements of the recommendations provided by Governor Cuomo's Advisory Panel, and represent the first phase of a holistic master plan that takes a comprehensive development approach to the entire Airport in positioning it to meet the needs of the 21st Century.

*New Terminal B Project*

The New Terminal B Project, identified as a major priority project in the Port Authority's 10-year capital plan, consists of the design, finance, construction, operation and maintenance, as applicable, of the New Terminal B Facilities, the Supporting Infrastructure and the Central Hall, all as described in more detail in (A), (B) and (C) below.

(A) The New Terminal B Facilities included in the New Terminal B Project consist of the design, finance, construction, operation and maintenance of:

(i) a new Terminal B, including a new and redesigned contiguous aircraft ramp and apron areas, new contiguous frontage roads and supporting buildings and site utilities;

(ii) a pedestrian walkway connection between the new Terminal B and the new West Garage;

(iii) a new central heating and refrigeration plant;

(iv) a consolidated receiving and warehouse distribution facility; and

(v) a new hydrant aircraft fueling infrastructure located within the new Terminal B contiguous aircraft ramp areas (collectively, the "New Terminal B Facilities").

(B) The Supporting Infrastructure included in the New Terminal B Project consists of:

(i) the design and construction of:

a. improvements to the public airport roads and utilities associated with such roadway improvements;

b. replacement utilities and new utilities serving the New Terminal B Facilities (and during construction of the New Terminal B Facilities, the existing Terminal B, including contiguous aircraft ramp areas (the "Existing Terminal B Facilities"), and the existing central heating and refrigeration plant (together with the Existing Terminal B Facilities, the "Existing Facilities"));

c. the new West Garage and associated toll plaza serving the New Terminal B Facilities; and

d. airfield modifications between the New Terminal B Facilities and the adjacent taxiways; and

(ii) the fit-out of Building 30 and coordination of and assistance with relocation of Port Authority operations from the Existing Terminal B Facilities to Building 30 (the fit-out of Building 30, together with the

design and construction of the roadway improvements, the utilities replacement, the West Garage and the airfield modifications, the "Supporting Infrastructure").

(C) The Central Hall included in the New Terminal B Project consists of the design, construction, operation and maintenance of a non-exclusive, central arrivals/departure hall located between the New Terminal B Facilities and the potential future redeveloped Terminal C at the Airport (the "Central Hall"), in accordance with the recommendations provided by the Airport Master Plan Advisory Panel ("Advisory Panel") created by New York Governor Andrew Cuomo to advise the Governor and the Port Authority on the modernization of the Airport. The Central Hall will be designed to unify the Airport and may accommodate the future development of one or more of the following: (i) an automated people mover and/or moving walkway; (ii) an AirTrain station; (iii) conference and meeting room capacity; (iv) retail, food and beverage space; and (v) a hotel and related facilities.

**Construction of New Terminal B Project**

The Lessee will enter into a fixed price, guaranteed design-build contract with the design-build joint venture among Skanska USA Building, Skanska USA Civil Northeast and Walsh Construction (the "DBJV"), with an estimated fixed price design and construction cost for the entire New Terminal B Project, as described above, of approximately $4.02 billion, inclusive of extra work allowance. The Lessee, through the DBJV, will guarantee completion of the New Terminal B Project by the summer of 2023.

Certain additional early work is being advanced prior to Lease commencement in order to maintain the overall schedule for the Program and to meet critical path construction milestones for the New Terminal B Project and includes additional design, site investigation and on-site construction work for the landside roadway and bridge network, the landside utility network, the Building 30 retrofit and the West Garage and certain design work with respect to the New Terminal B Project (collectively, the "Additional Early Work"). The Additional Early Work is included in the New Terminal B Project scope.

It is recommended that the Board authorize a lease between the Port Authority and the DBJV for the DBJV for approximately 54,000 square feet of office space within Hanger 5 and certain adjacent paved areas for a seven year term, to build out, use and occupy in support of its construction management operations at LGA, under commercially reasonable terms and conditions as reported to the Board and with termination provisions that are consistent with the New Terminal B Project Lease.

**The Lease**

On the Lease commencement date, the Port Authority is expected to enter into a lease agreement (the "Lease") with LaGuardia Gateway Partners LLC, as lessee (the "Lessee"), pursuant to which the Port Authority will lease the premises to the Lessee. The Lease commencement date is expected to occur in the second quarter of 2016. The Lease shall expire on December 30, 2050, a day before the expiration of the basic lease between The City of New York and the Port Authority. The Lessee would be granted a leasehold interest in the New

Terminal B Facilities and the Central Hall, and during construction, the Existing Facilities, and would be granted the right to sublease portions of the New Terminal B Facilities and the Central Hall to airline and concession tenants and to charge and collect rents in consideration of tenants' use and occupancy of the premises, all subject to and in accordance with the Lease. The Lessee would operate and maintain the New Terminal B Facilities and the Central Hall after construction completion until the expiration of the Lease term (or in respect of the Central Hall, until such earlier time as provided in the Lease). During the construction of the New Terminal B Project, the Lessee would be responsible for the operation and maintenance of the Existing Facilities, and the decommissioning (as applicable) and demolition of the (i) Existing Facilities; (ii) the P2 Garage, Hangar 1 and frontage roads associated therewith and with the Existing Facilities; (iii) the Central Electrical Substation. The Lessee would not operate and maintain the Supporting Infrastructure. Instead, the Lessee will turn over components of the Supporting Infrastructure to the Port Authority as they are completed, and such completed components are to be operated and maintained by the Port Authority

The Lease also requires the Lessee to undertake efforts in consultation with OBDCR, to meet certain specific MWBE participation goals of 30%, which is consistent with New York State's MWBE participation goal. The Lease is also subject to Port Authority labor policies, as may be amended, and Federal airport disadvantage business enterprise goals and requirements.

The Lessee is subject to termination of the Lease by the Port Authority and other available remedies if the New Terminal B Facilities are not completed by the summer of 2023. In the case of the Lessee's failure to perform operations and maintenance work in compliance with certain performance criteria, the Lessee will be subject to the assessment of financial penalties in accordance with the Lease. In accordance with the terms of the Lease, the Lessee is entitled to claim monetary compensation from the Port Authority for material and unavoidable net revenue and cost impacts due to the occurrence of certain defined compensation events. The Lessee is also entitled to claim extensions to the construction schedule due to the occurrence of certain defined events that directly cause delays to the construction project. The burden of proof is on the Lessee to show these impacts. As a condition to making a compensation event claim, the Lessee must demonstrate that it took all reasonable actions to mitigate the event. The Lease generally requires the Lessee to manage environmental conditions at the leasehold site on the Port Authority's behalf, with the Lessee's right to claim monetary compensation covering environmental expenses in excess of an assumed baseline for pre-existing conditions.

The Lease can be terminated early (a) by the Port Authority for an uncured Lessee's Event of Default (subject to the lenders' rights) and (b) by the Lessee, in certain circumstances, including, but not limited to material force majeure events that prevent the Lessee from performing all or substantially all of the construction work for more than 90 consecutive days. In the case of termination by the Lessee, the Port Authority will be obligated to pay the Lessee termination compensation, as set forth in the Lease.

It was recommended that the Board authorize the Executive Director to enter into the Lease, an interim agreement (the "Interim Agreement") on behalf of the Port Authority, with the finalized proposal delivered by the Preferred Proposer which is materially consistent, in the aggregate and taken as a whole, with the foregoing report to the Board. It is anticipated that LGP and the airlines will reach agreement with respect to the terms and conditions that consistent with

the foregoing report to the Board, including with respect to project costs, schedule and operating expenses.

It was also recommended that the Board delegate to the Committee on Operations the authority to approve the final terms and conditions of the lease agreement in the event that the lease agreement's terms and conditions are not substantially in accordance with the terms and conditions outlined to the Board.

The proposed funding authorization would also accommodate $415 million of expenditures to support the implementation of certain critical path elements for the LGA Redevelopment Program, as well as contracts and other agreements that would be necessary to support the implementation of the entire LGA Redevelopment Program, and would include: (1) the allocation of $225 million to cover in-house staffing support, including necessary LGA Redevelopment Program management project positions and Engineering Department staff and project positions, allocated overhead and other costs including financial expense; (2) expenditures of $190 million in connection with third-party consultant agreements pertaining to program delivery, oversight, integrity monitoring and support services in connection with the LGA Redevelopment Program.

It was also recommended that the Board authorize the Executive Director to enter into an agreement with LGP to operate and maintain the Central Hall for a limited period of approximately seven years after substantial completion of the Central Hall at an estimated cost of approximately $34 million.

**Projected Funding of New Terminal B Project**

The cost of designing and constructing the New Terminal B Project will be funded by the following sources: (i) the Port Authority would fund (A) up to $1 billion for the design and construction of certain PFC-eligible components of the New Terminal B Facilities, (B) approximately $856 million for the design and construction of the Supporting Infrastructure, and (C) approximately $310 million for the design and construction of the Central Hall, all in accordance with the terms of the Lease and the existing agreement with the Preferred Proposer for the performance of early work with respect to the New Terminal B Project (the "Early Work Agreement"), as applicable; (ii) a portion of the net revenues generated from the operations of the Existing Facilities and the New Terminal B Facilities; and (iii) the balance of the design and construction cost for the New Terminal B Project will be privately funded with an equity investment from the members of the Lessee of approximately $200 million and debt financed by the Lessee on a project finance basis, non-recourse to the Port Authority, with the net proceeds of anticipated tax-exempt private activity and taxable bond issuances. The Port Authority will submit PFC applications for up to $1 billion in PFCs for recovery of certain costs in support of the New Terminal B Facilities, and up to $500 million in PFCs to provide for recovery of certain costs in support of the Supporting Infrastructure and the LGACI Projects, as further described below, which amounts will be collected over a period of approximately ten or more years.

With respect to the Supporting Infrastructure that LGP is designing and constructing on behalf of the Port Authority under the Lease, in addition to PFCs, the Port Authority expects to

recover part of the cost through flight fees and, with respect to the West Garage, through net parking revenues.

**Projected Project Revenues**

Pursuant to the terms of the Lease, the Lessee will pay to the Port Authority a share of the net revenues generated by the Lessee's operation of the New Terminal B Facilities, which revenue share would be payable after the payment of (i) permitted operations and maintenance expenses (including base rent payable to the Port Authority of $15 million per year (escalating with inflation), oversight services fees, Port Authority staff transition cost reimbursement, and a $500,000 mortgage security fee payable annually to the Port Authority); (ii) debt service and funding of all required reserves; and (iii) any payments that may be agreed between the Lessee and the airlines currently operating at Terminal B. Project revenues are expected to be composed of payments from the airlines calculated using the Lessee's commercial compensatory cost recovery methodology, revenues derived from the Lessee's terminal concessions program (including food & beverage, retail, news & gift, special services, and duty free), and interest income earned on the Lessee's various accounts.

**Airport-Wide Support of LGA Redevelopment Program**

It was recommended that the Board authorize certain actions in support of the LGA Redevelopment Program, composed of the following elements: (i) an Airport-wide reserve of $182 million to cover any future potential Port Authority responsibilities and liabilities in connection with the Program or other impacts related to ongoing construction and operations across the Airport; and (ii) authorize the Executive Director to take certain actions, including authorization of the expenditure of $69.6 million with third-party agreements with public and private parties for certain Port Authority project costs allocated in connection with the Program and as outlined and reported to the Board.

It was also recommended that the Board authorize the Executive Director to take certain actions pertaining to the submission of an application to the FAA for the collection and use of up to $1 billion in PFCs to be collected over a period of approximately ten or more years to provide for recovery of the costs for certain PFC-eligible work in support of the New Terminal B Facilities, and up to $500 million in PFCs, net of prior applications, to be collected over a period of approximately ten or more years to provide for recovery of the costs for certain PFC-eligible work in support of the Supporting Infrastructure and the LGACI Projects.

It was also recommended to the Board that certain employees of the Port Authority currently involved in the operation and maintenance and management of the Central Terminal Building at LaGuardia Airport would, while remaining employees of the Port Authority, be made available to perform transition services for LGP during a minimum three to maximum six month transition period following the Lease execution. LGP would reimburse the Port Authority for the allocable expense of the wages and benefits associated with these employees. It is also anticipated that certain of these employees, and not subject to the Post-Employment Restrictions in the Port Authority's Code of Ethics and Financial Disclosure procedures, would be able to accept direct offers of employment from LGP to work for LGP in the operation, maintenance and management of the New Terminal B or otherwise. Any Port Authority employee whose job

would be adversely affected by the net lease transaction would be eligible for reassignment to another position within the Port Authority.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that the Executive Director be and is hereby authorized, for and on behalf of the Port Authority, to take any and all action and engage in any and all activities to effectuate the transaction among the Port Authority and the Preferred Proposer consistent with the foregoing report to the Board, including: (i) the acceptance of the finalized proposal delivered by the Preferred Proposer on terms and conditions that are materially consistent, in the aggregate and taken as a whole, with the foregoing report to the Board including a total fixed price project design and construction cost inclusive of extra work allowance of $4.015 billion; (ii) the execution and delivery of the Lease, the Interim Agreement and all related agreements, contracts and documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents pertaining to the New Terminal B Project, including the Port Authority's funding commitment under the Lease, as described above; and (iii) to take action in accordance with the terms of such Lease, contracts, agreements and documents, and to take action in accordance with the terms of such Lease, contracts, agreements and documents, as may be necessary in connection therewith or which are a logical and reasonable outgrowth of the matters described herein; and it is further

**RESOLVED,** that the Committee Operations be and it hereby is authorized to approve final terms and conditions of the lease agreement in the event that the terms and conditions are not substantially in accordance with those outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and is hereby authorized, for and on behalf of the Port Authority to expend an estimated $225 million for Port Authority support, including certain staff and allocated overhead and other costs in connection with the Program; and it is further

**RESOLVED**, that the Executive Director be and is hereby authorized, , for and on behalf of the Port Authority, to expend an estimated $190 million in connection with third-party consultant agreements pertaining to program delivery, oversight, integrity monitoring and support services in connection with the Program; and it is further

**RESOLVED**, that the Executive Director be and is hereby authorized, for and on behalf of the Port Authority, to create an estimated $182 million Airport-wide reserve in connection with potential Port Authority responsibilities

and liabilities in connection with the Program or other impacts related to ongoing construction and operations across the Airport; and it is further

**RESOLVED,** that the Executive Director be and is hereby authorized, for an on behalf of the Port Authority, to expend an estimated $69.6 million in connection with third-party agreements with both public and private parties for certain Port Authority project costs allocated in connection with the Program and as outlined and reported to the Board; and it is further

**RESOLVED**, that the Executive Director be and is hereby authorized, for and on behalf of the Port Authority, to enter into an agreement with LaGuardia Gateway Partners for the operation and maintenance of the Central Hall for a period of seven years from substantial completion of Central Hall at an estimated cost of $34 million; and it is further

**RESOLVED,** that the Executive Director be and is hereby authorized, for and on behalf of the Port Authority, to enter into an lease with the design-build joint venture among Skanska USA Building, Skanska USA Civil and Walsh Construction Company 2 LLC, to build out, use and occupy office space at Hanger 5A and adjacent paved areas under the terms and conditions reported to the Board for a period of seven years; and it is further

**RESOLVED**, that the Executive Director be and is hereby authorized, for and on behalf of the Port Authority, to take certain actions pertaining to the submission of an application to the FAA for the collection and use of up to $1 billion PFCs to provide for recovery of the costs for certain work in support of the New Terminal B Facilities, and up to $500 million PFCs, net of prior applications, to provide recovery for the costs for certain work in support of the Supporting Infrastructure and the LGACI Projects; and it is further

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

(Board – 3/24/16)

***8. World Trade Center Site – Authorization of Additional Contract Actions to Support Ongoing Post-Hurricane Sandy Recovery Work and Related Costs***

***Request:***

- *Authorize the reallocation of approximately $133.74 million in Hurricane Sandy-related funds for certain contract actions for construction, architectural and engineering design and construction support services to be offset via an equivalent decrease of approximately $133.74 million in unspent previously authorized funds for other certain contract actions for construction, architectural and engineering design and construction support services for mitigation efforts and to effectuate repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction contractors and consultant services contractors related to associated impact delays and acceleration of work to minimize schedule impact and to maintain commitments to third-party stakeholders.*

***Transaction Details:***

- *At the end of 2015, staff reassessed the resources allocated to WTC site projects, such as One WTC, WTC Transportation Hub, WTC Vehicular Security Center and Tour Bus Parking Facility, WTC Vehicle Roadway Network and Eastside Tour Bus Parking Facility, and the National September 11 Memorial and Museum. This included reassessment of previously authorized funds associated with mitigation efforts and repair and replacement of facilities and equipment at the WTC site that were damaged or destroyed by Hurricane Sandy and its associated storm surge. This reassessment was done to ensure that the funds and work scope would be allocated in the most efficient manner without increasing the overall Hurricane Sandy-related budget and or impacting construction schedules. By reallocating unspent previously authorized Hurricane Sandy-related funds, staff can efficiently close-out contracts and move projects forward to completion.*
- *The scope of the work associated with the Hurricane Sandy increases under the proposed item include compensation to contractors for ongoing repairs to address storm-related damage, trade specific extended general conditions for repair work as well as for extended general overhead and impact costs; construction and program management services, design support, damage evaluations and assessments, recommissioning services and integrity monitoring services, including compensation for additional costs incurred to manage and support the repair/replacement and re-installation work.*

***Background:***

- *During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and damage in Lower Manhattan and throughout the New York and New Jersey region. The event resulted in severe flooding throughout the WTC site. Although the de-watering of the WTC site was substantially completed in early November 2012 and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing to assess and evaluate damaged areas and equipment for future repair, replacement or mitigation. Via separate actions at its meetings through October 22, 2014, the Board has authorized approximately $644.59 million for construction contracts and consultant services for emergency response and project recovery actions related to Hurricane Sandy and to effectuate repair, replacement of facilities and equipment at the WTC and mitigation efforts.*

**WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONTRACT ACTIONS AND EXPENDITURES TO SUPPORT ONGOING POST-HURRICANE SANDY RECOVERY WORK AND RELATED COSTS**

It was recommended that the Board authorize: (1) the reallocation of funds previously authorized for certain contract actions for construction, architectural and engineering design, and construction support services required to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction contractors and consultant services contractors related to associated impact delays and acceleration of work to minimize schedule impact, and to maintain commitments to third-party stakeholders, by increasing, by approximately $133.74 million, the amount of certain such contract actions, to be offset by an equivalent decrease of approximately $133.74 million in unspent previously authorized funds for certain other such contract actions; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub (WTC Hub), WTC Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), the National September 11 Memorial and Museum (9/11 Memorial and Museum), and One WTC, among other WTC projects in construction. Although the de-watering of the WTC site was substantially completed in early November 2012, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through October 22, 2014, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions for construction work and consultant services required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts through November 30, 2014, in a total estimated amount of $644.59 million.

At the end of 2015, staff reassessed the resources allocated to WTC site projects, such as those involving One WTC, the WTC Hub, the WTC VSC, the WTC Vehicle Roadway Network and Eastside Tour Bus Parking Facility, and the 9/11 Memorial and Museum. This included reassessment of previously authorized funds associated with mitigation efforts and repair and replacement of facilities and equipment at the WTC site that were damaged or destroyed by Hurricane Sandy and its associated storm surge. This reassessment was done to ensure that funds would be allocated in the most efficient manner possible, without increasing the overall Hurricane Sandy-related budget or impacting construction schedules. By reallocating unspent previously authorized Hurricane Sandy-related funds, staff can efficiently move projects forward to completion and close out contracts.

As additional information is obtained through ongoing latent damage inspections, further project evaluations and implementation decisions regarding Hurricane Sandy's impact on the Port Authority's WTC facilities are being made. Any further requests for increases to contracts for actions, or reallocation of previously authorized funds, that will be attributable to Hurricane Sandy work, including oversight of further equipment replacement and installation costs, construction

general conditions and potential mitigation costs, would be subject to further Board authorization and requested on an "as-needed" basis.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED,** that the reallocation of funds previously authorized for certain contract actions for construction, architectural and engineering design and construction support services required to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction contractors and consultant services contractors related to associated impact delays and acceleration of work to minimize schedule impact, and to maintain commitments to third-party stakeholders, by increasing, by approximately $133.74 million, the amount of certain such contract actions, to be offset by an equivalent decrease of approximately $133.74 million in unspent previously authorized funds for certain other such contract actions, be and it hereby is authorized, consistent with the terms outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary to facilitate the foregoing, consistent with the terms outlined to the Board; and it is further

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

(Board – 3/24/16)

***9. World Trade Center Site – Authorization of Additional Contract Actions to Implement Certain Work Under Existing Contracts***

***Request:***

- *Authorize the:*
  - *Reallocation of approximately $3 million in funds previously authorized for the One World Trade Center (One WTC) Project, through an increase of approximately $3 million in the amount of certain construction trade contracts for close-out work, to be offset by an equivalent decrease of approximately $3 million in the amount of certain other construction trade contracts, and*
  - *An increase, by an aggregate amount of $22.45 million, inclusive of an eight-percent allowance for extra work, the amounts of certain existing construction trade contracts for the World Trade Center Vehicle Security Center and Tour Bus Parking Facility (WTC VSC) Project and WTC Vehicle Roadway Network and Eastside Tour Bus Parking Facility (WTC Roadway Network) Project, in order to perform site-wide Common Infrastructure work to allow the close-out of the WTC VSC and WTC Roadway Network Projects.*

***Transaction Details:***

- *At the end of 2015, staff reassessed the resources allocated to WTC site projects, such as One WTC, WTC VSC, and the WTC Roadway Network. By reallocating unspent previously authorized funds within a project, staff can close-out contracts and move projects forward to completion.*
- *The scope of the work for the One WTC Project includes expenditures for premium time based upon coordination of project completion with the building operator, miscellaneous concrete and grouting, additional testing at the First Responders System for initial tenant occupancy, completion of below grade waterproofing, roofing modifications to accommodate façade maintenance equipment, additional work related to the stair pressurization enhancement, and fire alarm/strobe installation and testing.*
- *The presently requested Common Infrastructure scope of work includes electrical, fire protection, ventilation, architectural fit-out work, concrete and masonry work associated with the construction of a WTC VSC emergency distribution system room within the work area of the WTC VSC and WTC Roadway Network, as well as the furnishing and installation of communication conduits, a fire alarm and traffic management systems. This work at the WTC VSC is needed to complete the project and close out the remaining contracts for the WTC VSC and WTC Roadway Network Projects as well as to provide emergency power for the life-safety system for the WTC VSC and the WTC Roadway Network.*

***Background:***

- *At its August 5, 2010 meeting, the Board reauthorized the project to design and construct One WTC. The authorization also provided for increases in compensation to design consultants and construction trade contracts for work being performed on behalf of other WTC projects.*
- *The WTC VSC and Roadway Network Projects, authorized by the Board in August 5, 2010 and September 18, 2013, respectively, are critical for the redevelopment of the WTC site and play an important role in improving circulation and access of vehicles within Lower Manhattan and providing safe and efficient delivery of goods and services to the WTC site facilities as well as provide for new tour bus parking areas.*

- *The WTC VSC is currently in use to screen deliveries to the WTC site. The WTC VSC accommodates the off-street screening of cars, trucks and buses that enter the sub-grade roadway and building loading docks. The WTC Roadway Network is a partially completed sub-grade roadway network that will span the length of the East Bathtub and connect to the loading docks of Towers 2, 3 and 4, as well as to the WTC Hub. The WTC Roadway Network is currently in use for deliveries for Tower 4.*
- *Once completed, the WTC Roadway Network would alleviate the need for tour buses to park or idle on local streets, accommodate delivery trucks, improve the operation and efficiency of the WTC complex, and enhance accessibility and circulation within Lower Manhattan.*
- *Common Infrastructure work is required to support interdependent aspects of the WTC site. Construction of underground parking, the construction of Greenwich and Fulton Streets, restaging Route 9A, common foundation excavations and other site-wide mechanical, electrical, plumbing and utilities costs are aggregated under the Common Infrastructure component of the WTC site redevelopment. To ensure its efficient completion certain common infrastructure work is being done through existing WTC VSC and Roadway Network construction trade contracts.*

**WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONTRACT ACTIONS TO IMPLEMENT CERTAIN WORK UNDER EXISTING CONTRACTS**

It was recommended that the Board authorize: (1) the reallocation of approximately $3 million in funds previously authorized for the One World Trade Center (WTC) Project, through an increase of approximately $3 million in the amount of certain construction trade contracts for close-out work, to be offset by an equivalent decrease of approximately $3 million in the amount of certain other construction trade contracts; and (2) the Executive Director to increase, by an aggregate amount of $22.45 million, inclusive of an eight-percent allowance for extra work, the amounts of certain existing construction trade contracts for the WTC Vehicular Security Center and Tour Bus Parking Facility (WTC VSC) Project and the WTC Roadway Network and Eastside Tour Bus Parking Facility (WTC Roadway Network) Project, in order to perform site-wide Common Infrastructure work to allow for the close-out of the WTC VSC and WTC Roadway Network Projects.

Several projects at the WTC site are approaching final completion and close-out, including the One WTC, WTC VSC, and WTC Roadway Network Projects, as well as continuing site-wide Common Infrastructure work. As part of a year-end review in 2015, staff reassessed the resources allocated to those projects, to ensure that the funds and work scope for the projects are allocated in the most efficient manner, without increasing overall project budgets or affecting construction schedules. By reallocating funds within a project, the Port Authority can close out contracts in support of project completions.

At its meeting of August 5, 2010, the Board reauthorized the project to design and construct One WTC. The authorization also provided for increases in compensation to design consultants and to construction trade contracts for work being performed on behalf of other projects.

As part of the proposed reallocation of funds among certain construction trade contracts for the One WTC Project, the close-out work associated with the increases in the amount of certain trade contracts would include expenditures for premium time (based upon coordination of project completion with the building operator), additional testing at the First Responders System for initial tenant occupancy, below-grade waterproofing not completed by a defaulted contractor, roofing modifications to accommodate façade maintenance equipment, additional work related to the stair pressurization enhancement, and fire alarm/strobe installation and testing.

At its August 5, 2010 meeting, the Board also authorized the design and construction of the WTC VSC Project, which plays an important role in improving circulation and access of vehicles within Lower Manhattan. The WTC VSC is currently in use to screen deliveries to the WTC site, and it accommodates the off-street screening of cars, trucks and buses that enter the sub-grade roadway and building loading docks.

The WTC Roadway Network Project, authorized by the Board at its September 18, 2013 meeting, is a partially completed sub-grade roadway network that will span the length of the East Bathtub and connect to the loading docks of Towers 2, 3 and 4, as well as to the WTC Hub. The WTC Roadway Network currently is used for public deliveries to Tower 4 and is critical for the redevelopment of the WTC site. It will play an important role in the safe and efficient delivery of goods and services to the WTC site facilities, as well as provide for new tour bus parking areas that will accommodate approximately 46 buses.

Site-wide Common Infrastructure work is required to support interdependent aspects of the WTC site. Construction of underground parking, the construction of Greenwich and Fulton Streets, restaging Route 9A, common foundation excavations and other site-wide mechanical, electrical, plumbing and utilities costs are aggregated under the Common Infrastructure component of the WTC site redevelopment. It also includes the fabrication and delivery of six generator sets and emergency distribution systems (EDS) for an emergency plant that will support the WTC Hub, the WTC retail development, the WTC VSC and the Central Chiller Plant. The presently requested Common Infrastructure scope of work includes electrical, fire protection, ventilation and architectural fit-out work, concrete and masonry work associated with the construction of a WTC VSC EDS room within the work area of the WTC VSC and WTC Roadway Network, as well as installation of communication conduits, a fire alarm system, and a traffic management system. This work at the WTC VSC is needed to complete the project and close out the remaining contracts for the WTC VSC and WTC Roadway Network Projects, as well as to provide emergency power for life-safety systems for the WTC VSC and the WTC Roadway Network.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that the reallocation of approximately $3 million in funds previously authorized for the One World Trade Center (WTC) Project, through an increase of approximately $3 million in the amount of certain construction trade contracts for close-out work, to be offset by an equivalent decrease of approximately $3 million in the amount of certain other construction trade contracts, consistent with the terms outlined to the Board, 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 increase, by an aggregate amount of $22.45 million, inclusive of an eight-percent allowance for extra work, the amounts of certain existing construction trade contracts for the WTC Vehicular Security Center and Tour Bus Parking Facility Project and the WTC Roadway Network and Eastside Tour Bus Parking Facility Project, in order to perform site-wide Common Infrastructure work to allow the close-out of the projects, consistent with the terms outlined to the Board; and it is further

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

(Board – 3/24/16)

***10. World Trade Center Flood Resiliency Programs – Flood Mitigation and Resiliency Improvements At-Grade –Award of Contract for Construction of a Perimeter Bollard Protection System***

***Request:***

- *Award of construction trade contract to Paul J. Scariano, Inc. to fabricate and install a complete bollard protection system (BPS) at the National September 11 Memorial Plaza (9/11 Memorial plaza) located at the World Trade Center (WTC) site, and furnish and install removable flood barriers at the WTC perimeter streets, at an estimated total cost of $3,668,200, inclusive of an allowance for extra work.*

***Transaction Details:***

- *The BPS would utilize existing street bollards to establish a temporary flood wall around the site's western perimeter, with major components at One World Trade Center (One WTC), the WTC Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), and the 9/11 Memorial Plaza. Bollards are modified to accept customized removable barriers. Perimeter locations without sidewalk bollards, such as street crossings, would utilize other removable flood barriers to be furnished and installed under this contract.*
- *The scope of work under the proposed contract would include the fabrication, installation, and deployment of a BPS at the 9/11 Memorial Plaza, as well as the furnishing and installation of removable flood barriers at certain street intersections surrounding the WTC site that protect the site's interior, specifically Vesey and Greenwich Streets, Liberty and Greenwich Streets, Liberty and West Streets, and Fulton and West Streets.*
- *Blocking floodwaters from entering the at-grade areas of the site would protect Port Authority assets including critical below-grade areas, which serve the WTC Transportation Hub, including PATH tracks and platforms, and other critical site infrastructure.*
- *The contract also specifies minimal disruption to current WTC and Memorial operations.*

***Background:***

- *In the Fall of 2013, a comprehensive flood hazard mitigation plan was developed for the WTC site. The plan included evaluations of site-wide and project-specific vulnerabilities, flood mitigation strategies and improvement alternatives. The plan recommends three "rings of protection" within a Special Flood Hazard Area designated by the Federal Emergency Management Agency to effectively protect against coastal flooding levels similar in magnitude to Hurricane Sandy's storm surge.*
- *The first ring of protection recommended is a perimeter BPS at the western portion of the WTC site. This contract is the third (and final) component of the BPS.*
- *In October 2013, the Board authorized contract actions for initial planning and design work to evaluate and develop long-term flood resiliency projects at the WTC site at an estimated total cost of $10 million, including Stage II design of a BPS and prototype.*
- *In April 2014, the Board authorized a pilot project for the design and deployment of a perimeter BPS prototype located at One WTC at an estimated total cost of $25.1 million. The BPS was successfully deployed in October 2014 with remaining field deployments around One WTC substantially completed in June 2015.*

- *In July 2015, the Board authorized a $112.9 million project for the design and construction of at-grade flood mitigation and resiliency projects including a perimeter BPS and other water intrusion protection systems (WIPS) at street level openings to protect Port Authority assets at the WTC site from potential coastal flooding and storm surge. The Board also authorized award of the BPS at the WTC VSC as the second component of the BPS, at an estimated total cost of $3,580,000, inclusive of clause work and an eight-percent allowance for extra work, which will be completed in mid-2016.*
- *The recommended awardee for the proposed construction contract is the lowest priced, technically qualified bidder selected pursuant to a publicly advertised competitive process.*

**WORLD TRADE CENTER SITE FLOOD RESILIENCY PROGRAMS – FLOOD MITIGATION AND RESILIENCY IMPROVEMENTS AT-GRADE – AWARD OF CONTRACT FOR CONSTRUCTION OF A PERIMETER BOLLARD PROTECTION SYSTEM**

It was recommended that the Board authorize the Executive Director to enter into a construction contract with Paul J. Scariano, Inc. to fabricate and install a complete at-grade bollard protection system (BPS) along the perimeter of the National September 11 Memorial Plaza (9/11 Memorial Plaza) and to furnish and install removable flood barriers at certain street intersections at the World Trade Center (WTC) site, in order to protect Port Authority assets, including the WTC Transportation Hub's (WTC Hub) Port Authority Trans-Hudson (PATH) rail system tracks and platforms from potential flooding, at an estimated total cost of $3,668,200, inclusive of an eight-percent allowance for extra work.

In November 2013, a comprehensive flood hazard mitigation plan was developed for the WTC site, in order to protect the site against coastal flooding levels similar in magnitude to those of Hurricane Sandy's storm surge. The plan recommended three "rings of protection," within a Special Flood Hazard Area designated by the Federal Emergency Management Agency, to protect against coastal flooding. The first ring of protection would be a perimeter BPS at the western portion of the WTC site. The second and third rings of protection, known as Water Intrusion Protection Systems At-Grade and Below-Grade, include various flood barriers, roll-down doors, louvers, hatches, structural hardening, waterproofing and similar measures.

On April 23, 2014, the Board authorized a pilot project for the design and construction of a perimeter BPS prototype located at One World Trade Center, at an estimated total cost of $25.1 million. That BPS was tested successfully off-site, and was substantially completed in June 2015.

At its meeting of July 23, 2015, the Board authorized the design and construction of at-grade flood mitigation and resiliency projects, including a perimeter BPS, at an estimated total project cost of $112.9 million. At that time, the Board also authorized the Executive Director to enter into a construction contract to fabricate and install a complete perimeter BPS at the WTC Vehicular Security Center and Tour Bus Facility, as the second component of the site-wide BPS, at an estimated total cost of $3,580,000, inclusive of clause work and an eight-percent allowance for extra work. The work on that contract is expected to be completed in mid-2016.

The currently proposed contract would be the third and final contract for the construction of the WTC site-wide BPS. The scope of work would include the fabrication, installation and deployment of a complete BPS along the perimeter of the 9/11 Memorial Plaza, and the furnishing and installation of removable flood barriers at the following street intersections surrounding the WTC site: Vesey and Greenwich Streets, Liberty and Greenwich Streets, Liberty and West Streets, and Fulton and West Streets.

The proposed BPS would utilize existing street bollards to establish a temporary flood wall around the site's western perimeter, including the 9/11 Memorial Plaza, which is above the PATH tracks and platforms at the WTC Hub. Existing bollards would be modified to accept customized, removable flood barriers. Certain perimeter locations without sidewalk bollards, such as street crossings, would utilize other types of temporary flood barriers to be furnished and installed under this contract. With the exception of the period immediately before, during,

and following flooding emergencies, the perimeter BPS would not affect the normal functioning and appearance of the WTC site.

Paul J. Scariano, Inc., the recommended awardee, is the lowest priced, technically qualified bidder pursuant to a publicly advertised competitive process.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction contract with Paul J. Scariano, Inc. to fabricate and install a complete at-grade bollard protection system along the perimeter of the National September 11 Memorial Plaza, and to furnish and install removable flood barriers at certain street intersections at the World Trade Center site, in order to protect Port Authority assets from potential flooding, at an estimated total cost of $3,668,200, inclusive of an eight-percent allowance for extra work; and it is further

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

(Board – 3/24/16)

### *11. Publication of Annual Financial Statements*

***Request:***

- *This item authorizes the publication of the Port Authority's Financial Statements and Appended Notes for the year ended December 31, 2015 in the Annual Report, and other publications, as appropriate.*

**PUBLICATION OF ANNUAL FINANCIAL STATEMENTS**

Pursuant to the By-Laws and its Charter, the Audit Committee's members have reviewed and approved the Port Authority's Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2015, and recommended to the Board that such Consolidated Financial Statements be included in the Port Authority's 2015 Comprehensive Annual Financial Report, and other publications, as appropriate.

Pursuant to the foregoing report, the following resolution was adopted:

> **RESOLVED**, that the publication of the Port Authority's Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2015 in the Port Authority's 2015 Comprehensive Annual Financial Report, and other publications, as appropriate, be and the same hereby is authorized.

(Board – 3/24/16)

***12. John F. Kennedy International Airport – Newark International Airport – The Hudson Tubes Facility – Lease Agreement for Certain Areas of the Redeveloped James A. Farley Building Transportation and Commerce Center – Lease Agreement and Amendment – Rescission***

***Request:***

- *This item rescinds prior actions of the Board of Commissioners and its Committee on Operations at meetings of June 2, 2000 and September 28, 2000, concerning a lease agreement for certain areas of the redeveloped James A. Farley Building Transportation and Commerce Center; and directs the Executive Director to arrange for a study of proposals for the Port Authority to participate further in the redevelopment of the Farley Building into an intermodal transportation center.*
- *The Executive Director would report to the Board regarding such study, and would be seek Board authorization for any further action regarding participation by the Port Authority in the redevelopment of the Farley Building.*

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – NEWARK INTERNATIONAL AIRPORT – THE HUDSON TUBES FACILITY – LEASE AGREEMENT FOR CERTAIN AREAS OF THE REDEVELOPED JAMES A. FARLEY BUILDING TRANSPORTATION AND COMMERCE CENTER – LEASE AGREEMENT AND AMENDMENT -- RESCISSION**

At its meeting of June 2, 2000, the Board authorized the Executive Director to enter into a lease agreement with the New York State Urban Development Corporation d/b/a Empire State Development Corporation (ESD) and/or its subsidiaries for the letting by the Port Authority of approximately 40,000 rentable square feet (rsf) of space in the James A. Farley Building (the "Farley Building") in New York City, which was to be redeveloped into an intermodal transportation center adjacent to Pennsylvania Station. The lease agreement was to be for a term of approximately 35 years, commencing in January 2003, at an annual rental of approximately $8.3 million. In addition, the Board authorized the Committee on Operations to approve the final terms and conditions of the lease agreement in the event that such final terms and conditions were not substantially in accordance with those outlined to the Board.

Subsequent negotiations with ESD resulted in changes to the terms originally authorized by the Board. Although the revised terms of the lease agreement provided for approximately 40,000 rsf of space for the non-exclusive use of the users of the Port Authority's airport access and other transportation services, the actual leased space would be approximately 250 rsf, for two ticket counters and a kiosk. In addition, the annual rental would be increased from the originally approved amount of approximately $8.3 million to approximately $10.5 million, in consequence of interest rate changes, a later payment start date and other financing shifts. At its meeting of September 28, 2000, the Committee on Operations approved the revised terms of the proposed lease agreement with ESD.

The redevelopment of the Farley Building into an intermodal transportation center has not been completed in the period since the year 2000 actions of the Board and the Committee on Operations, and the proposed lease agreement with ESD has never been executed by the parties. Therefore, it was recommended that the Board rescind the June 2, 2000 action of the Board and the September 28, 2000 action of the Committee on Operations, respectively, authorizing the proposed lease agreement with ESD and approving the final terms thereof.

It was also recommended that the Board direct the Executive Director to arrange for a study of proposals for the Port Authority to participate further in the redevelopment of the Farley Building into an intermodal transportation center, through a transaction which could include a commitment of up to $150 million to the project , with such arrangement to provide one or more of the following: (1) enhanced airport access for passengers and others using John F. Kennedy International Airport and Newark Liberty International Airport; (2) enhanced services for Port Authority Trans-Hudson Corporation (PATH) commuters; and/or (3) for other purposes consistent with existing legislation and agreements with the holders of the Port Authority's obligations. The Executive Director would report to the Board regarding such study. Authorization would be sought from the Board in the future for any further action regarding participation by the Port Authority in the redevelopment of the Farley Building.

Pursuant to the foregoing report, the following resolution was adopted:

**RESOLVED,** that the prior action of the Board of Commissioners at its meeting of June 2, 2000 entitled, "*John F. Kennedy International Airport – Newark International Airport – The Hudson Tubes Facility – Lease Agreement for Certain Areas of the Redeveloped James A. Farley Building Transportation and Commerce Center*," be and it hereby is rescinded; and it is further

**RESOLVED,** that the prior action of the Committee on Operations at its meeting of September 28, 2000 entitled, "*John F. Kennedy International Airport – Newark International Airport – The Hudson Tubes Facility – Lease Agreement for Certain Areas of the Redeveloped James A. Farley Building Transportation and Commerce Center*," be and it hereby is rescinded; and it is further

**RESOLVED,** that the Executive Director be and he hereby is directed, for and on behalf of the Port Authority, to arrange for a study of proposals for the Port Authority to participate further in the redevelopment of the Farley Building into an intermodal transportation center, through a transaction which could include a commitment of up to $150 million to the project, and substantially as outlined to the Board, with the Executive Director to report to the Board regarding such study, and authorization to be sought from the Board for any further action regarding participation by the Port Authority in the redevelopment of the Farley Building.

(Board – 3/24/16)

***13. Access to Port Authority Records – Enhanced Transparency and Efficiency – Port Authority Public Records Access Policy***

- *A draft resolution will be posted on Tuesday.*

(Board – 3/24/16)

***14. Access to Port Authority Records – Enhanced Transparency and Efficiency – Access to Personal Information Policy***

- *A draft resolution will be posted on Tuesday.*