

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
MEETING OF THE BOARD OF COMMISSIONERS AND BOARD COMMITTEE
MEETINGS – THURSDAY, NOVEMBER 17, 2016

The following is the agenda and related materials as of Thursday, November 10, for the November 17, 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 11:00 a.m.

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

Committee on Finance

The Committee on Finance will meet in executive session to discuss matters involving ongoing reviews of contracts or proposals.

All Commissioners

The Board of Commissioners will also meet in executive session prior to the public meetings to discuss matters involving ongoing negotiations or reviews of contracts or proposals, matters related to the purchase, sale, or lease of real property, where disclosure would affect the value thereof or the public interest, matters involving public safety or law enforcement, and matters in which the release of information could impair a right to receive funds from the United States or other grantor, and to discuss and act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings.

Public Session Committee Meetings – 12:00 noon (Board Room)

Committee on Operations

- ◆ Stewart International Airport – Brooklyn Brewery – Lease – Thomas Bosco
- ◆ Quarterly Overtime Results Stephanie Dawson

Committee on Capital Planning, Execution and Asset Management

- ◆ Newark Liberty International, John F. Kennedy International and Teterboro Airports – Aeronautical Operations Area Light Circuit Replacement Projects Thomas Bosco
- ◆ PATH – Harrison Car Maintenance Facility – Flood Resilience Improvement Projects Michael Marino
- ◆ Quarterly Capital Results Michael Massiah

Board Meeting – 12:30 p.m. (estimated) (Board Room)

- ◆ Report of Executive Director
- ◆ Speakers Program*
- ◆ Special Panel Implementation Office Reports
- ◆ Resolution Approvals

Patrick Foye

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 9:00 a.m. on the day of the Board meeting. 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 and Committees at the
November 17, 2016 Meeting***

1. Stewart International Airport – The Brooklyn Brewery Corporation – New Lease ASA-170
2. Regional Alliance for Small Contractors, Inc. – Renewal of Participation
3. John F. Kennedy International Airport - Rehabilitation of Runway 13L-31R – Planning Authorization
4. Newark Liberty International Airport, Teterboro Airport, and John F. Kennedy International Airport – Aeronautical Operations Area Light Circuit Replacements – Project Authorizations
5. PATH – Harrison Car Maintenance Facility – Installation of Permanent Flood Barrier System – Project Authorization
6. PATH – Right of Way East of Harrison Car Maintenance Facility – Construction of Concrete Sea Wall to Protect Tracks G and H and Associated Mechanical and Electrical Infrastructure - Project Authorization
7. Renewal of Modifications to Age Limit for Appointment to Port Authority Police Force
8. Purchase of Directors and Officers Liability Insurance (To be considered by Committee on Finance)

* The Board will also meet in executive session to act upon a matter related to proposed, pending, or current litigation or judicial or administrative proceedings.

1. *Stewart International Airport – The Brooklyn Brewery Corporation – New Lease ASA-170*

Request:

- *Authorization to enter into 60-year lease with The Brooklyn Brewery Corporation for the letting of approximately 823,284 square feet of land at the Industrial Park at Stewart International Airport (SWF) at an aggregate rental of approximately \$30.1 million.*
- *This item also authorizes the payment of a brokerage commission of \$109,000 to Newmark Grubb Knight Frank for services rendered in securing the proposed lease.*

Transaction Details:

- *The proposed new lease is effective on or about April 1, 2017 with rental payments commencing from the earlier of three years from lease commencement or Brooklyn Brewery’s beneficial occupancy.*
- *The lease would provide for the construction of a new brewery, warehouse and visitor/retail center on the site with a minimum investment by Brooklyn Brewery of \$80 million.*
- *The new lease would provide rental at rates comparable to current market rates at SWF.*

Background:

- *The proposed leasehold is undeveloped land at the Industrial Park at SWF, which has never been leased.*
- *Brooklyn Brewery would be responsible for any environmental issues associated with the construction of the new brewery, warehouse and visitor/retail center. The Port Authority would provide oversight for these activities.*
- *A due diligence period of approximately 60 days would be provided to Brooklyn Brewery to perform soil, geotechnical and other testing of the undeveloped site. During the 60-day period, Brooklyn Brewery could elect to terminate the lease, to the extent that it no longer wishes to proceed with the development.*
- *Newmark was previously retained to support marketing and lease-up of approximately 37 acres at the Industrial Park at SWF in connection with the “Start-up New York” program. Newmark identified Brooklyn Brewery as a prospective tenant eligible for program incentives offered by the State. However, Brooklyn Brewery ultimately opted for an alternate site within the Industrial Park and will be taking advantage in other incentives offered by the State to locate at SWF.*

STEWART INTERNATIONAL AIRPORT – THE BROOKLYN BREWERY CORPORATION – NEW LEASE ASA-170

It was recommended that the Board authorize the Executive Director to: (1) enter into a new lease agreement with The Brooklyn Brewery Corporation or an affiliate (Brooklyn Brewery) that would provide for the letting of approximately 823,284 square feet of undeveloped land at the Industrial Park at Stewart International Airport (SWF) for the construction and operation of a new brewery, warehouse, and visitor/retail center (Brewery), for a term of approximately 60 years, commencing on or about April 1, 2017, with rent commencing at the earlier of three years from lease commencement or Brooklyn Brewery's beneficial occupancy of the new Brewery; and (2) compensate Newmark Grubb Knight Frank for professional real estate brokerage services associated with the proposed lease, at an estimated amount of \$109,000.

In November 2007, the Port Authority assumed the operations of SWF, including 200 acres of land designated as the Stewart International Airport Industrial Park (the Industrial Park). The proposed leasehold area within the Industrial Park consists of unimproved land that has never been leased.

The proposed new lease would provide for a due diligence period of approximately 60 days to perform certain soil, geotechnical and other testing of the proposed site. In the event that Brooklyn Brewery determines that it no longer wants to proceed after such testing has been conducted, it may elect to terminate the lease within 60 days of lease commencement. Should Brooklyn Brewery exercise its termination provision within the 60 days, the Port Authority would have no obligation with respect to its costs for the site investigation. Brooklyn Brewery would be responsible for any environmental remediation costs associated with the construction of the new Brewery.

Pursuant to the lease, Brooklyn Brewery would be obligated to make a minimum capital investment of \$80 million for the construction of a new 250,000-square-foot Brewery, with an option to expand to approximately 350,000 square feet. Over the term of the proposed lease, the Port Authority would receive total aggregate ground rental of approximately \$30.1 million. Brooklyn Brewery would be responsible for all operational, maintenance and repair costs associated with the leased premises.

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 lease agreement with The Brooklyn Brewery Corporation or an affiliate for the letting of approximately 823,284 square feet of land at the Industrial Park at Stewart International Airport, for the operation of a brewery, warehouse and visitor/retail center, 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 compensate Newmark Grubb Knight Frank for professional real estate brokerage services associated with the foregoing lease, at an estimated amount of \$109,000; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to 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, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

(Board – 11/17/16)

2. Regional Alliance for Small Contractors, Inc. – Renewal of Participation

Request:

- *Authorization of agreement with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a one-year period, with an option to extend for up to two, additional one-year periods at a total cost of \$2.33 million, under which the Port Authority would:*
 - *Obtain contractual services for the training and development of minority, women-owned, small and disadvantaged business enterprises (M/W/S/DBEs) at an estimated cost of \$332,000 per year and M/W/DBE program oversight for aviation tenant construction projects at an estimated cost of \$399,346 for the first year, with an annual CPI escalation not to exceed two percent thereafter;*
 - *Provide for a rental credit of \$40,000 per year to offset the Regional Alliance’s \$64,000 per year rental costs for office space at the Port Authority Bus Terminal; and*
 - *Provide for approximately 500 square feet of office space at John F. Kennedy International and Newark Liberty International Airports for Regional Alliance staff at no cost to the Regional Alliance to perform MWDBE program oversight for aviation work.*

Background:

- *The Regional Alliance is a not-for-profit corporation that was initiated by the Port Authority, with participation by state and local agencies and private firms in the construction industry, to increase the capacity of M/W/S/DBEs to bid on and perform public contracts.*
- *Over the past three years, the Regional Alliance has assisted over 3,000 firms, offering business networking opportunities and an average of 20 training courses yearly in management, construction and business software applications.*
- *Over the past three years, approximately 40 percent of the prime M/W/DBE construction contractors working on Port Authority projects participated in Regional Alliance training and business networking events.*
- *Other public entities that have entered into agreements with the Regional Alliance over the past several years include New Jersey Transit and New York City School Construction Authority.*

REGIONAL ALLIANCE FOR SMALL CONTRACTORS, INC. – RENEWAL OF PARTICIPATION

It was recommended that the Board authorize the Executive Director to enter into a service contract with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a one-year period, starting January 1, 2017, with options to extend for up to two additional one-year periods, under which the Port Authority would: (1) obtain contractual services for the training and development of minority, women-owned, small and disadvantaged business enterprises (M/W/S/DBEs), at an estimated cost of \$332,000 per year, and M/W/DBE program oversight for aviation tenant construction projects, at an estimated cost of \$399,346 for the first year, with the latter amount subject to escalation in the second and third years based on the Consumer Price Index, but not to exceed two percent per year, should the options to extend be exercised; and (2) provide: (a) a rental credit of \$40,000 per year to offset the Regional Alliance's cost, estimated at \$64,000 per year, to rent office space at the Port Authority Bus Terminal, and (b) approximately 500 square feet of office space at each of John F. Kennedy International and Newark Liberty International Airports, at no cost to the Regional Alliance, to perform aviation program oversight work for up to a three year period.

The Regional Alliance is a non-profit corporation formed to carry out a cooperative effort initiated by the Port Authority, with participation by other public agencies and private businesses, to increase the capacity of M/W/S/DBEs to bid on and perform public contracts. Through its array of training programs and other services, the Regional Alliance has been effective in increasing the number of M/W/S/DBEs and their capacity to compete for larger contracts in both the public and private sectors of New York and New Jersey.

Port Authority participation in the Regional Alliance was authorized initially by the Board in 1990 for the training and development of M/W/S/DBEs, and has been renewed continually thereafter. In April 2005, the Board authorized a supplemental agreement expanding the scope of services to include M/W/DBE program oversight for aviation tenant construction projects.

Over the last three years, the Regional Alliance has assisted more than 3,000 M/W/S/DBE firms, offering business networking opportunities, and has offered an average of 20 courses yearly in management, construction and business software applications. Among its most subscribed offerings were a construction management certificate program taught at Pace University, which qualified participants for 22.5 hours of continuing education credit, a course in "Managing Small-Scale Construction Projects," Occupational Safety and Health Administration courses, and four-hour scaffolding and fall protection certification. Overall, approximately 40 percent of prime M/W/S/DBE construction contractors working on Port Authority projects over the last three years have participated in Regional Alliance training and business networking events.

Other public entities that have partnered with the Regional Alliance over the past several years include New Jersey Transit Corporation and the New York City School Construction Authority.

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 service contract with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a one-year period starting January 1, 2017, with options to extend for up to two additional one-year periods, under which the Port Authority will: (1) obtain contractual services for the training and development of minority, women-owned, small and disadvantaged business enterprises (M/W/S/DBEs), at an estimated cost of \$332,000 per year, and M/W/DBE program oversight for aviation tenant construction projects, at an estimated cost of \$399,346 for the first year, with the latter amount subject to escalation in the second and third years based on changes in the Consumer Price Index, but not to exceed two percent per year, should the options to extend be exercised; and (2) provide: (a) a rental credit of \$40,000 per year to offset the Regional Alliance's cost to rent office space at the Port Authority Bus Terminal, and (b) approximately 500 square feet of office space at each of John F. Kennedy International and Newark Liberty International Airports for Regional Alliance staff, at no additional cost, to perform aviation program oversight work for up to a three-year period; and it is further

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

(Board – 11/17/16)

3. John F. Kennedy International Airport – Rehabilitation of Runway 13L-31R – Planning Authorization

Request:

- *This item authorizes \$2 million in planning for the rehabilitation of Runway 13L-31R and associated taxiways at John F. Kennedy International Airport (JFK) to maintain a state of good repair.*

Transaction Details:

- *The proposed planning and preliminary engineering services would develop a project to rehabilitate Runway 13L-31R and associated taxiways, including replacement of electrical and drainage infrastructure and upgrades to taxiway fillets to bring Runway exits and entrances into compliance with current Federal Aviation Administration (FAA) standards.*
- *In addition, this preliminary effort would provide initial planning for the construction of a new high speed taxiway as part of airport delay reduction efforts.*
- *This project will impact FAA’s navigational system and infrastructure and will require FAA engineering and field support services.*

Background:

- *Runway 13L-31R was last paved in 2004 and requires rehabilitation in order to maintain a state of good repair.*
- *Staff currently anticipates seeking project authorization by the second quarter of 2017.*

JOHN F. KENNEDY INTERNATIONAL AIRPORT – REHABILITATION OF RUNWAY 13L-31R – PLANNING AUTHORIZATION

It was recommended that the Board authorize planning work and preliminary engineering services to develop a project for the rehabilitation of Runway 13L-31R and associated taxiways at John F. Kennedy International Airport (JFK), at an estimated planning cost of \$2 million.

Runway 13L-31R was last rehabilitated in 2004 and exhibits surface distress consistent with normal wear and weathering.

The proposed planning work would develop a project to rehabilitate Runway 13L-31R and associated taxiways, including replacement of electrical and drainage infrastructure and upgrades to taxiways' fillets, to bring runway exits and entrances into compliance with Federal Aviation Administration (FAA) standards. This preliminary effort also would include initial planning for the construction of a new high-speed taxiway as part of the airport delay reduction program. The rehabilitation of Runway 13L-31R would restore the runway to a state of good repair to safely accommodate aircraft operations.

The costs are fully recoverable through the JFK Flight Fee Agreement.

Professional planning and engineering services would be performed by a consultant selected from an existing call-in contract developed through a publicly advertised Request for Proposals.

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

RESOLVED, that planning work and preliminary engineering services to develop a project for the rehabilitation of Runway 13L-31R and associated taxiways at John F. Kennedy International Airport, at an estimated planning cost of \$2 million, be and they hereby are authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning work and engineering services, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

(Board – 11/17/16)

4. Newark Liberty International Airport, Teterboro Airport, and John F. Kennedy International Airport – Aeronautical Operations Area Light Circuit Replacements – Project Authorizations

Request:

- This item authorizes projects at Newark Liberty International Airport (EWR), Teterboro Airport (TEB), and John F. Kennedy International Airport (JFK) to replace airfield runway, taxiway, and signage lighting cables and cable splices (connectors) that were damaged as a result of Hurricane Sandy in order to maintain a state of good repair at an aggregate estimated cost of \$140.2 million.
- The estimated total project costs for cable and connector replacements are \$37.5 million at EWR; \$21.1 million at TEB; and \$81.6 million at JFK.
- This item also requests authorization of construction contracts to perform the project work as follows: EWR at an estimated construction cost of \$22.8 million; TEB at an estimated construction cost of \$13.9 million; and JFK at an estimated construction cost of \$53.6 million, the cost of which is covered under the respective project authorization.

Transaction Details:

- This authorization would provide for the replacement of airfield electrical cables and connectors exposed to salt water during Hurricane Sandy, which has impacted their useful life.
- The proposed authorization would provide for the removal of existing cables, cleaning of associated conduits, and installation of new cables and connectors.

Background:

- Hurricane Sandy caused heavy rains, winds and storm surges along the coastlines of New York and New Jersey that resulted in unprecedented flooding at the Port Authority's airports. As a result, the aeronautical operations areas' electrical infrastructure experienced prolonged exposure to salt water.
- Construction contracts for EWR and TEB are scheduled to be awarded in the first quarter of 2017 with completion forecast for the fourth quarter of 2018. The construction contract for JFK is scheduled to be awarded in the second quarter of 2017 with completion forecast for the fourth quarter of 2020.
- Light circuit and connector replacements at LaGuardia Airport are largely being addressed as part of other ongoing or contemplated aeronautical work at the airport.

NEWARK LIBERTY INTERNATIONAL AIRPORT, TETERBORO AIRPORT, AND JOHN F. KENNEDY INTERNATIONAL AIRPORT – AERONAUTICAL OPERATIONS AREA LIGHT CIRCUIT REPLACEMENTS – PROJECT AUTHORIZATIONS

It was recommended that the Board authorize: (1) three projects to replace airfield lighting cables and connectors at, respectively, Newark Liberty International Airport (EWR), at an estimated cost of \$37.5 million, Teterboro Airport (TEB), at an estimated cost of \$21.1 million, and John F. Kennedy International Airport (JFK), at an estimated cost of \$81.6 million; and (2) the Executive Director to award construction contracts to perform the construction work associated with each of the projects, inclusive of allowances for extra work and unknown quantities, at an estimated cost of \$22.8 million at EWR, \$13.9 million at TEB, and \$53.6 million at JFK.

In October 2012, Hurricane Sandy caused heavy rains, winds and storm surges along the coastlines of New York and New Jersey that resulted in unprecedented flooding at EWR, TEB, JFK and LaGuardia Airport (LGA). As a result, the aeronautical operations area electrical infrastructure at the airports, including conduits, light base cans, manholes and handholes, experienced prolonged exposure to salt water and intrusion of silt and debris. Due to the continued exposure to salt water, the electrical infrastructure exhibits corrosion and latent damage that can impact lighting system reliability and increase the need for corrective repairs.

The proposed projects would involve removing cables impacted by Hurricane Sandy, cleaning the associated conduits and light base cans, and installing new cables and connectors.

Light circuit and connector replacements at LGA are largely being addressed as part of other ongoing or contemplated aeronautical work at that airport.

The replacement of the airfield lighting circuits would improve the reliability of the lighting system by minimizing the potential for cable and connector failures.

The construction contracts for EWR and TEB would be scheduled to be awarded in the first quarter of 2017 and estimated to be completed during the fourth quarter of 2018. The construction contract for JFK would be scheduled to be awarded in the second quarter of 2017 and estimated to be completed during the fourth quarter of 2020.

It is anticipated that funds for the proposed projects would be 90-percent recoverable through grants approved by the Federal Emergency Management Agency. The balance of the costs for the projects at JFK and EWR would be recoverable from the airlines operating at those airports under the respective flight fee agreements for those airports. The balance of such costs would not be recoverable at TEB.

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

RESOLVED, that projects to replace airfield lighting cables and connectors at, respectively: Newark Liberty International Airport (EWR), at an estimated cost of \$37.5 million; Teterboro Airport (TEB), at an estimated cost of \$21.1 million; and John F. Kennedy International Airport (JFK), at an estimated cost of \$81.6 million, be and

they hereby are authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award construction contracts to perform the construction work associated with each of the foregoing projects, inclusive of allowances for extra work and unknown quantities, at an estimated cost of \$22.8 million at EWR, \$13.9 million at TEB, and \$53.6 million at JFK; 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 projects, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

5. PATH- Harrison Car Maintenance Facility – Installation of Permanent Flood Barrier System – Project Authorization

Request:

- This item authorizes a \$27.2 million project in project authorization for the replacement of the existing temporary bin block and cast in place concrete wall with a permanent flood protection concrete wall system along the south and west perimeter of the Harrison Car Maintenance Facility (HCMF) and installation of swing flood gates at the entrance of the HCMF.

Transaction Details:

- The scope of work includes the removal of the existing modular precast concrete bin block and cast-in-place flood protection walls and installation of swing flood protection gates at the entrance to the HCMF. In addition, a flood protection wall is to be constructed along the south and west perimeter of the HCMF. The proposed flood wall system will protect the HCMF from significant service outages, the loss of equipment damage, and the significant loss of supporting systems.

Background:

- As a result of Super storm Sandy, nearly the entire HCMF and its rail car storage yard were flooded by the storm surge from the Passaic River.
- To address flood protection on a temporary basis, approximately 2,700 linear feet of a combined floodwall system comprised of bin block and cast-in place concrete was installed in 2013. These measures were performed quickly with available materials knowing a more permanent solution would be required when time and proper funding permitted.
- After construction of the temporary flood wall system, studies were conducted to support PATH's FTA resiliency projects in order to address current and future vulnerabilities to the PATH system.
- The proposed project would accommodate the implementation of the recommendations of a Stage 2 study.
- The proposed project takes into account updated Federal Emergency Management Agency (FEMA) flood maps.

PATH – HARRISON CAR MAINTENANCE FACILITY - INSTALLATION OF PERMANENT FLOOD BARRIER SYSTEM – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project to provide for the design and construction of a permanent flood barrier protection system and the removal of the existing flood wall system along the south and west perimeter of the Port Authority Trans-Hudson Corporation (PATH) rail system’s Harrison Car Maintenance Facility (HCMF), to enhance the flood resiliency of the HCMF, at a total project cost of \$27.2 million; and (2) the President of PATH to enter into an agreement(s) with the Town of Harrison, New Jersey (Town) to obtain necessary property interests to accommodate the installation of the flood barrier protection system, a portion of which is to be located on property owned by the Town.

The HCMF is located at the foot of Cape May Street in Harrison, along the banks of the Passaic River. The facility’s shop serves as the primary location for PATH’s rail car maintenance and repair activity. The adjoining rail car storage yard is also critical to PATH operations.

As a result of Hurricane Sandy and its associated storm surge, the HCMF and the rail car storage yard were flooded, causing significant service outages and damage to the facility, rolling stock and rail yard. To address this issue on a temporary basis, approximately 2,700 linear feet of a combined floodwall system, composed of bin block and cast-in-place concrete, was installed in 2013. The existing temporary system averages approximately six feet in height, which does not meet the required flood protection standards under revised Federal Emergency Management Agency guidelines issued in 2015.

The proposed project would provide for the design and construction of a permanent cast-in-place wall, at a height of 8.5 feet and a length of approximately 5,540 linear feet, and the installation of movable flood gates at the entrance to the HCMF.

The project would protect critical assets, maintain safe operations and enhance flood resiliency at the HCMF in the event of another major storm surge.

The Federal Transit Administration has awarded grant funds for this project, which would result in cost recovery of 75 percent of eligible project costs, up to a maximum of \$14,861,400 in federal funds. Staff is exploring other grant funding options to recover additional costs associated with this project.

The design phase of the proposed project would evaluate potential environmental issues, including applicable environmental permits that are required for the project.

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

RESOLVED, that a project to provide for the design and construction of a permanent flood barrier protection system and the removal of the existing flood wall system along the south and west perimeter of the Port Authority Trans-Hudson Corporation (PATH) rail system’s Harrison Car Maintenance Facility (HCMF), to enhance flood resiliency of the HCMF, at a total project cost of \$27.2 million, be and it hereby is authorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to enter into an agreement(s) with the Town of Harrison, New Jersey (Town) to obtain necessary property interests to accommodate the installation of the flood barrier protection system, a portion of which is to be located on property owned by the Town; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, 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 contracts, agreements and other documents in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

6. PATH- Right of Way East of Harrison Car Maintenance Facility – Construction of a Concrete Sea Wall to Protect Tracks G and H and Associated Electrical and Mechanical Infrastructure - Project Authorization

Request:

- This item authorizes a \$32.2 million in project authorization for the replacement of a temporary HESCO (sand bags) wall with a permanent flood protection concrete wall along the northern banks of the Passaic River, east of the Harrison Car Maintenance Facility (HCMF) to the abutment of the CSX (Conrail) bridge.

Transaction Details:

- This project would provide for the design and installation of a permanent flood protection concrete wall, replacement of the existing HESCO wall, and deployable flood barriers by the CSX (Conrail) Bridge and Amtrak's Saw-tooth bridge openings. The permanent flood protection wall would be designed to protect the PATH infrastructure and meet all applicable codes, as well as Federal Transit Administration (FTA) requirements, Federal Emergency Management Agency (FEMA) requirements, and current Port Authority Design Guidelines, including Climate Resiliency Guidelines.

Background:

- As a result of Super storm Sandy, nearly the entire PATH right of way in the area east of the HCMF was flooded by storm surge from the Passaic River. The storm surge flooding caused significant service outages and damage to the right of way including tracks G and H, signals and switches, Substation 8 and the Kearny west signal bungalow.
- To address potential flooding from severe storms on a temporary basis, approximately 2,700 linear feet of Hesco bags filled with sand were installed to protect this right of way from potential storms of a similar magnitude. These measures were performed quickly with available materials until a permanent solution was developed.
- After construction of the temporary HESCO flood wall, a study was conducted in 2014 to support PATH's FTA resiliency projects in order to address current and future vulnerabilities to the PATH system.
- The proposed project would accommodate the implementation of the recommendations of a Stage 2 study.
- The proposed project takes into account updated Federal Emergency Management Agency (FEMA) flood maps.

**PATH – RIGHT OF WAY EAST OF HARRISON CAR MAINTENANCE FACILITY –
CONSTRUCTION OF CONCRETE SEA WALL TO PROTECT TRACKS G
AND H AND ASSOCIATED MECHANICAL AND ELECTRICAL
INFRASTRUCTURE - PROJECT AUTHORIZATION**

It was recommended that the Board authorize a project to provide for the design and construction of a permanent concrete sea wall and for the removal of the existing temporary flood wall to protect Port Authority Trans-Hudson Corporation (PATH) rail system tracks and associated electrical and mechanical infrastructure located east of the Harrison Car Maintenance Facility (HCMF), at a total estimated project cost of \$32.2 million.

During Hurricane Sandy and its associated storm surge, certain PATH infrastructure located east of the HCMF along the Passaic River was flooded, causing significant service outages and damage to tracks and electrical and signal equipment. In 2013, PATH constructed a protective 2,700-linear-foot sandbag wall at that location, in order to provide temporary protection of the area from future flood events.

The proposed project, which takes into account revised Federal Emergency Management Agency guidelines issued in 2015, would provide for the removal of the temporary flood wall and the construction of a permanent cantilever concrete sea wall supported on sheet piles. The permanent wall would be approximately 3,500 linear feet long, with a height varying from eight to ten feet, based on ground elevation.

The proposed project would enable PATH to safely operate the railroad system between Journal Square Transportation Center and Newark Penn Station. At the same time, a permanent wall and deployable barriers would protect the PATH infrastructure from significant service outages in the event of another major storm surge.

The design phase of the proposed project would evaluate potential environmental impacts, including specific environmental permits required for this project.

The Federal Transit Administration has awarded grant funds for this project, which would result in cost recovery of 75 percent of eligible project costs, up to a maximum of \$16,815,875 in federal funds. PATH is exploring further grant funding options for additional costs associated with this project.

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

RESOLVED, that a project to provide for the design and construction of a permanent concrete sea wall and the removal of the existing flood wall, to protect Port Authority Trans-Hudson Corporation (PATH) rail system tracks and associated electrical and mechanical infrastructure located east of the Harrison Car Maintenance Facility, at a total estimated project cost of \$32.2 million, be and it hereby is authorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, 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 contracts, agreements and other documents in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

(Board – 11/17/16)

7. *Renewal of Modifications to Age Limit for Appointment to Port Authority Police Force*

Request:

- *This item authorizes the renewal of the modifications to the age limit for appointment to the Port Authority police force for police candidates who served on active duty in the United States military.*

RENEWAL OF MODIFICATIONS TO AGE LIMIT FOR APPOINTMENT TO PORT AUTHORITY POLICE FORCE

Prior to early 2013, the age limit for appointment to the Port Authority police force established by the Board, with limited exceptions for members of the police force holding certain positions within the Office of the Inspector General, provided that no individual who had attained 35 years of age could be appointed to the police force.

To increase the pool of qualified candidates in future recruitment processes for Port Authority police officers, it was recommended to the Board, at its meeting of April 24, 2013, that periods during which a candidate served on active duty in the United States military (as defined by the particular branch in which the candidate served), not to exceed a total of six years, be deducted from the candidate's age in determining eligibility for entrance into the Port Authority Police Academy, with such modification to sunset after a three-year period. It also was recommended, confirming a longstanding practice, that the then-existing age limitation for appointment to the Port Authority police force not be applicable to positions at the rank of Captain and above. On April 24, 2013, the Board approved such changes in the age limit for appointment.

The sunset period for the Board's action having been reached, and, based on the success of the initiative in attracting former military service members who otherwise would have been ineligible to serve as Port Authority police officers, it was recommended that the Board renew and extend the modifications to the age limit for appointment to the Port Authority police force that it approved at its meeting of April 24, 2013, in this instance, without a sunset period.

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

RESOLVED, that, in connection with Port Authority police officer recruitment processes, periods during which a candidate served on active duty in the United States military (as defined by the particular branch in which the candidate served), not to exceed a total of six years, shall be deducted from the candidate's age in determining the candidate's eligibility for entrance into the Port Authority Police Academy; and it is further

RESOLVED, that the current age limitation for appointment to the Port Authority police force shall not be applicable to positions at the rank of Captain and above; and it is further

RESOLVED, that prior resolutions of the Board of Commissioners relating to the composition of the Port Authority's police force be and they hereby are amended, after the effective date of this resolution, to conform hereto; 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 he deems necessary or appropriate to effectuate the purposes and intent of this resolution.

8. *Purchase of Directors' and Officers' Liability Insurance*

Request:

- *This item requests authorization from the Committee on Finance to purchase Directors' and Officers' Liability Insurance (D&O Insurance) coverage, through broker Beecher Carlson Insurance Service, LLC, for a one-year term effective December 31, 2016.*

Transaction Details:

- *D&O Insurance covers Commissioners and officers of the Port Authority and its related entities for non-indemnified losses.*

Background:

- *During the latter part of 2014, the Board requested that staff obtain D&O Insurance consistent with private industry practice.*
- *Following discussions with the Board, the Treasurer retained Beecher Carlson, via a competitively procured Request for Proposals, to serve as the broker in connection with the placement of the D&O Insurance for a three-year term, with an option to renew the agreement for up to a one, three-year period.*

PURCHASE OF DIRECTORS AND OFFICERS LIABILITY INSURANCE

It was recommended that the Committee on Finance (Committee) authorize the Executive Director, the Chief Financial Officer, the Treasurer, and the Chief Procurement Officer, each individually, to purchase Directors and Officers liability insurance coverage (D&O Insurance) covering commissioners, directors and officers of the Port Authority and its component units, through the broker, Beecher Carlson Insurance Services, LLC (Beecher Carlson), for a one-year term effective December 31, 2016.

In 2014, the Board requested that staff maintain D&O Insurance coverage, consistent with private industry practice. Following discussions with the Board, the Treasurer retained Beecher Carlson, via a competitively procured Request for Proposals process, to serve as the broker in connection with the placement of the D&O Insurance. At its meeting of December 10, 2014, the Committee authorized the purchase of D&O Insurance covering commissioners, directors and officers of the Port Authority and its component units for non-indemnified losses for a one-year term effective December 31, 2014, with a policy limit of \$100 million. On December 10, 2015, the Committee authorized the renewal of the D&O Insurance for a one-year term effective December 31, 2015.

The currently proposed renewal of the D&O Insurance would provide for the same coverage as the expiring policy.

The Committee has power to act in this matter under and pursuant to the By-Laws and its Charter.

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

RESOLVED, that the purchase of Directors and Officers liability insurance covering commissioners, directors and officers of the Port Authority and its component units, through the broker, Beecher Carlson Insurance Services, LLC, for a one-year term effective December, 31 2016, substantially in accordance with the terms outlined to the Committee, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director, the Chief Financial Officer, the Treasurer, and the Chief Procurement Officer be and each hereby is authorized, individually, for and on behalf of the Port Authority, to take action to effectuate the foregoing; and it is further

RESOLVED, that all documents required to effectuate the foregoing shall be subject to review by General Counsel or his authorized representative.