The following is the agenda and related materials as of Friday, July 14, for the July 20, 2017 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 11:30 a.m.

**Executive Session Meetings – 9:30 a.m. (Agenda Review Room)**

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

**Nominating Committee**
The Nominating Committee will meet in executive session to discuss matters related to personnel and personnel procedures.

**Public Session Committee Meetings – 12:30 p.m (Board Room)**

**Committee on Operations**
- LaGuardia Airport – New Terminal C & D Redevelopment – Final Lease Terms with Delta Air Lines
- Quarterly Overtime Update
- Special Panel Implementation Office Reports
  - Trans Hudson Team
  - PATH Team
  - Port Commerce Team

**Committee on Finance**
- Quarterly Financial Results

**Committee on Capital Planning, Execution and Asset Management**
- LaGuardia Airport – Rehabilitation of Runway 4-22 and Associated Taxiways – Project
- PATH – Replacement of Substations No. 7 and No. 9 – Project Re-Authorizations
- Quarterly Capital Results
Board Meeting – 1:30 p.m. (estimated) (Board Room)

- Election of Officer
- Report of Executive Director
- Tribute
- Staff Recognition
- Speakers Program*
- Resolution Approvals

For more information, contact the Office of the Secretary at (212) 435-6682 or (212) 435-7312.

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 July 20, 2017 Meeting*

1. LaGuardia Airport – Rehabilitation of Runway 4-22 and Associated Taxiways – Project Authorization
2. George Washington Bridge – Rehabilitation of Structural Steel, Paint Removal and Repainting of the Underside of Lower Level – Increase in Planning Authorization
3. PATH – Replacement of Substation No. 7 – Project Re-Authorization and Award of Contract – Replacement
4. PATH – Replacement of Substation No. 9 – Project Re-Authorization and Award of Contract – Replacement
5. World Trade Center - Retail Pre-Tenant Fit-Out - Increase in Authorization to Existing Design and Design Management Services Agreement with World Trade Center Properties

*The Board is also expected to take action in executive session with regard to matters related to proposed, pending or current litigation or judicial or administrative proceedings.
1. **LaGuardia Airport – Rehabilitation of Runway 4-22 and Associated Taxiways – Project Authorization and Award of Contract**

**Request:**
- This item authorizes a $54.4 million project for the rehabilitation of Runway 4-22 and associated taxiways at LaGuardia Airport (LGA) to maintain a state of good repair and compliance with Federal Aviation Administration (FAA) standards.

**Transaction Details:**
- The proposed project provides for the milling and asphalt concrete overlay of Runway 4-22 and intersecting taxiways, associated pavement marking and replacement and upgrade of runway and taxiway lighting systems and guidance signs in accordance with current FAA requirements.

**Background:**
- Runway 4-22 is one of the two runways at LGA. It was last paved in 2008 and requires rehabilitation in order to maintain a state of good repair.
- Staff currently anticipates advertising the contract in the third quarter of 2017.
LAGUARDIA AIRPORT – REHABILITATION OF RUNWAY 4-22 AND ASSOCIATED TAXIWAYS – PROJEC T AUTHORIZATION

It was recommended that the Board authorize a project for the rehabilitation of Runway 4-22 and associated taxiways at LaGuardia Airport (LGA), at an estimated total project cost of $54.4 million.

Runway 4-22 serves as one of two main runways at LGA. It was last rehabilitated in 2008 and is nearing the end of its useful life.

The proposed project would provide for the milling and asphalt concrete overlay of Runway 4-22 and its associated taxiways. Work also would include pavement markings, and replacement and upgrade of runway and taxiway lighting systems and guidance signs, in accordance with Federal Aviation Administration (FAA) requirements. The taxiways included in this project are in need of rehabilitation, and including these assets in this project would provide for operational efficiencies by allowing for simultaneous work during runway closures, thereby minimizing future runway closures.

Work would be staged during nightly airport closures and extended weekend runway closures, to minimize the impact to aeronautical operations. Sections of the runway and associated taxiways would be made available for aircraft operations as construction is completed.

An application would be submitted to the FAA for the use of Airport Improvement Program funds for eligible costs.

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

RESOLVED, that a project for the rehabilitation of Runway 4-22 and associated taxiways at LaGuardia Airport, at an estimated total project cost of $54.4 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and 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; 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 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.
2. **George Washington Bridge – Rehabilitation of Structural Steel, Removal of Lead Based Paint and Repainting the Underside of Lower Level - Increase in Planning Authorization**

**Request:**
- This item authorizes a $13.5 million increase in planning to support the design of a project to rehabilitate the underside of the Lower Level of the George Washington Bridge (GWB), which would result in a revised total planning amount of $21.3 million, as well as related consultant services and right-of-entry agreements with impacted property owners.

**Transaction Details:**
- The proposed item is necessary to provide additional architectural and engineering services through final design, which will provide greater certainty with respect to the total cost to complete the project.
- The item also authorizes an agreement with Hardesty & Hanover/Buckland & Taylor Joint Venture to perform expert professional services in connection with the project at an estimated amount of $6.5 million.
- Right-of-entry agreements with certain entities and municipalities, including the New York City Parks Department and Palisades Interstate Parkway Commission, will be necessary to effectuate the planning for and implementation of the project.

**Background:**
- The George Washington Bridge (GWB), which opened in 1931 and was modified in 1962 to include a lower level, is a critical link between New York and New Jersey. The Port Authority is currently implementing a comprehensive “Restoring the George” Program at an aggregate cost of nearly $2 billion to provide for the rehabilitation/replacement of structural elements of the GWB and associated approach and supporting roadways, which includes 11 projects, including the rehabilitation of the underside of the Lower Level, to maintain a state of good repair. The Lower Level includes four movable platforms to support maintenance and inspection of the bridge.
- At its February 2012 meeting, the Board authorized $7.8 million in planning to prioritize structural steel repairs to the Lower Level and assist in the development of a comprehensive plan to support the phased rehabilitation of the structural steel and provide for lead paint removal and repainting.
- In July 2015, the Executive Director authorized the award of a contract to perform the first phase of the rehabilitation, which included certain priority steel and concrete repairs, removal and disposal of one maintenance platform, and repairs to catwalks and the remaining three maintenance platforms at an estimated amount of $8.6 million. This work is forecast to be completed in the 4th quarter of 2017.
- The second phase of the project, which would be supported by the proposed planning increase, covers additional steel and concrete repairs, relocation of utilities, lead abatement, paint removal and repainting, replacement of the four maintenance platforms and the median mesh between the eastbound and westbound lanes.
GEORGE WASHINGTON BRIDGE – REHABILITATION PROGRAM – 
REHABILITATION OF STRUCTURAL STEEL, PAINT REMOVAL AND 
REPAINTING THE UNDERSIDE OF LOWER LEVEL – INCREASE IN 
PLANNING AUTHORIZATION

It was recommended that the Board authorize: (1) an increase of $13.5 million in the 
amount of the planning authorization (from $7.8 million to $21.3 million) to support the design of 
a project for the rehabilitation of the underside of the lower level of the George Washington Bridge 
(GWB), including rehabilitation of structural steel, replacement of maintenance platforms, 
removal of existing lead-based paint and repainting; and (2) the Executive Director to: (a) enter 
into an agreement with Hardesty & Hanover/Buckland & Taylor, Joint Venture, to perform expert 
professional architectural and engineering services to support the final design and construction of 
the project, in an estimated amount of $6.5 million (inclusive of a 25-percent contingency); and 
(b) enter into right-of-entry agreements with various entities as may be necessary to effectuate the 
design and construction of the project.

This planning effort is part of the nearly $2 billion “Restoring the George” program to 
provide for the rehabilitation/replacement of structural elements of the GWB, including the 
rehabilitation of the underside of the lower level.

The GWB, which opened in 1931 and was modified to include a lower level roadway in 
1962, is a 14-lane suspension bridge connecting Interstate 95 over the Hudson River, between Fort 
Lee, New Jersey and 178th/179th Streets in the Borough of Manhattan, New York. The main span 
is 3,500 feet long, and the New Jersey and New York back spans are 610 feet and 650 feet, 
respectively.

The addition of the lower level to the GWB was completed in 1962 and included movable 
maintenance platforms, known as travelers, under the structure to support maintenance and 
inspection of the bridge. There are two travelers under the main span and one under each back 
span. Engineering inspections identified numerous structural areas that require varying degrees of 
steel repair.

On February 9, 2012, the Board authorized a program to support three critical projects to 
maintain the lower level GWB span and certain approach bridges and ramps that serve the GWB, 
which included $7.8 million in planning funds to prioritize the lower level structural steel 
rehabilitation work and assist in the development of a comprehensive plan to support the phased 
rehabilitation of the structural steel and provide for paint removal and repainting.

In July 2015, the Executive Director authorized the award of Contract GWB-244.240 to 
Skanska Koch, Inc. to perform Phase I of the lower level underside rehabilitation, which included 
certain priority steel and concrete repairs that were identified as necessary during biennial 
inspections conducted from 2009 through 2013, the removal and disposal of the New York main 
span maintenance traveler platform, and repairs to catwalks and the remaining three maintenance 
traveler platforms, at an estimated amount of $8,568,515.

The currently proposed authorization would cover Phase II final design work. Upon 
completion of the proposed design work, project authorization would be sought. The project would
encompass additional steel repairs, relocation of utilities, lead abatement and painting, replacement of the four maintenance traveler platforms and the median mesh between the eastbound and westbound traveling lanes.

The proposed increase in the planning authorization is necessary to provide for additional architectural and engineering services, which will result in greater certainty as to the total project cost to complete the Phase II work of the lower level underside rehabilitation program.

Pursuant to the foregoing report, the following resolution was adopted

**RESOLVED**, that an increase of $13.5 million in the amount of the planning authorization (from $7.8 million to $21.3 million), to support the design of a project for the rehabilitation of the underside of the lower level of the George Washington Bridge, including rehabilitation of structural steel, relocation of utilities, replacement of maintenance platforms, removal of existing lead-based paint and repainting, be and it hereby is authorized; and it is further

**RESOLVED**, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement with Hardesty & Hanover/Buckland & Taylor, Joint Venture, to perform expert professional architectural and engineering services to support the final design and construction of the project, in an estimated amount of $6.5 million (inclusive of a 25-percent contingency); and (2) enter into right-of-entry agreements with various entities as may be necessary to effectuate the design and construction of the foregoing project; and it is further

**RESOLVED**, that the Executive Director be and 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 it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing planning work 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.
3. PATH – Replacement of Substation No.7 – Project Re-authorization and Award of Contract

Request:
- This item re-authorizes a project for the replacement and upgrade of PATH Substation No. 7 at a total cost of $69.8 million (an increase of $22.2 million when compared to the prior authorized total project cost).

Transaction Details:
- The project includes the construction of a two-story steel framed building for the new Substation No. 7, at an elevation that takes into account Federal Emergency Management (FEMA) flood maps issued in 2013 and Port Authority Climate Resilience Guidelines issued in January 2015. In addition, the project provides for the demolition and removal of the existing substation.
- The item also includes the award of a contract to Mass Electric Construction Company to construct the project at an estimated total construction cost of $45,709,480, the cost of which is included in the total project amount.

Background:
- The existing PATH Substation No. 7, which is located in Jersey City, New Jersey, provides traction power to a portion of the PATH Journal Square – Newark route.
- The substation, which is over 45 years old, has exceeded its service life and sustained extensive damage during Superstorm Sandy.
- The substation’s 27 kilovolt electrical equipment is currently located outdoors. Building the replacement substation above the 100-year flood line and placing the equipment indoors will further protect the equipment.
- In February 2009, the Board authorized a $47.6 million project to replace Substation No. 7 and switchgear in Switching Station No. 6. In 2012, due to delays in acquiring property required to build the new Substation No. 7 from Consolidated Rail Corporation (Conrail), the replacement of switchgear in Switching Station No. 6 was advanced as a separate stand-alone state-of-good repair project, which is forecast for completion in the second quarter of 2018 at a total estimated cost of $8.7 million.
- The requested increase is primarily due to the construction cost significantly exceeding our estimate, which is due to the upward pressure on construction costs brought by current competitive market conditions with respect to cost of electrical components and the low bidder including a higher level of staff support and supervisory services for the project.
PATH – REPLACEMENT OF SUBSTATION NO. 7 - PROJECT RE-AUTHORIZATION
AND AWARD OF CONTRACT PAT-024.031

It was recommended that the Board: (1) re-authorize a project to replace and upgrade Substation No. 7 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of $69.8 million, an increase of $22.2 million over the previously authorized amount; and (2) authorize the President of PATH to award Contract PAT-024.031 to Mass. Electric Construction Company for the construction of a new substation, at an estimated construction cost of $45,709,480, inclusive of allowances for extra work (if necessary) and field-ordered work.

A critical component of the operation of the PATH rail system is the traction power required to move trains. The existing PATH Substation No. 7, located in Jersey City, New Jersey, provides traction power to support a portion of the PATH rail operations between Journal Square Station and Newark Station. The substation is over 45 years old, and replacement is necessary in order to ensure continued reliable traction power to support PATH rail operations. In addition, the substation sustained extensive damage as a result of Superstorm Sandy and its associated storm surge.

At its meeting of April 25, 2007, the Board authorized planning work, at a total estimated cost of $4.5 million, to replace/upgrade PATH Substations Nos. 7, 8 and 9 and the direct current (DC) switchgears in Switching Stations Nos. 6 and 10. At its meeting on February 19, 2009, the Board authorized a project to replace Substation No. 7 and DC Switchgear in Switching Station No. 6, at an estimated total project cost of $47.6 million. In 2012, due to delays in acquiring necessary property for the construction of Substation No. 7, the scope of work for the replacement of DC Switchgear in Switching Station No. 6 was separated and advanced as a stand-alone project, which was subsequently awarded in October 2013.

The subject project provides for the furnishing, installation and commissioning of medium-voltage switchgear, traction power transformers, rectifiers and switchgear, associated auxiliary systems and equipment. All equipment will be installed indoors, in a new two-story steel-framed building to be constructed at elevations that will be above Federal Emergency Management Agency Base Flood Elevation in compliance, with the Port Authority Engineering Department’s Climate Resilience Guidelines. The requested increase in authorization is due to increases in construction based on the actual low bid received, resulting from upward pressure on construction costs brought on by the current competitive market conditions and additional PATH facility forces to support construction.

Replacing and upgrading Substation No. 7 would provide reliable and efficient power to the PATH rail system and enhance customer service. Building the substation at a higher elevation and placing the equipment indoors would enhance reliability and security, and ease maintenance. In addition, it would accommodate future electrical power demand that is anticipated to increase above present level, as a result of anticipated increases in PATH train service.
It is anticipated that up to 90 percent of the eligible costs (exclusive of costs incurred prior to Superstorm Sandy) of the project would be recoverable through a grant from the Federal Transit Administration. All contracts to be awarded to implement the project would be in compliance with federal procurement guidelines, including Contract PAT-024.031, which would be awarded to Mass. Electric Construction Company, the lowest bidder pursuant to a publicly advertised solicitation process. A field-ordered work allowance would provide for contractor compensation for undefined items of work encountered during construction, which would be compensated as lump sum or cost reimbursement with a markup not to exceed a specified fixed dollar amount.

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

RESOLVED, that a project to replace and upgrade Substation No. 7 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of $69.8 million, an increase of $22.2 million from the previously authorized amount, be and it hereby is re-authorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to award Contract PAT-024.031 to Mass. Electric Construction Company, for the construction of a new substation, at an estimated construction cost of $45,709,480, inclusive of allowances for extra work (if necessary) and field-ordered work; 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 such other contracts and agreements as may be necessary to effectuate the foregoing project; 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.
4. **PATH – Replacement of Substation No.9 – Project Re-authorization and Award of Contract**

**Request:**
- This item re-authorizes a project for the replacement and upgrade of PATH Substation No. 9 at a total cost of $64.7 million (an increase of $5.2 million when compared to the prior authorized total project cost).

**Transaction Details:**
- The project includes the construction of a two-story steel framed building for the new Substation No. 9, at an elevation that takes into account Federal Emergency Management (FEMA) flood maps issued in 2013 and Port Authority Climate Resilience Guidelines issued in January 2015. In addition, the project provides for the demolition and removal of the existing substation.
- The item also includes the award of a contract to the joint venture of Halmar International LLC/LB Electric Co., LLC to construct the project at an estimated total construction cost of $37,271,528, the cost of which is included in the total project amount.

**Background:**
- The existing PATH Substation No. 9, which is located in Harrison, New Jersey, provides traction power to a portion of the PATH Journal Square – Newark route.
- The substation, which is over 45 years old, has exceeded its service life and sustained extensive damage during Superstorm Sandy.
- In June 2014, the Board authorized a $59.5 million project to replace Substation No. 9.
- In March 2016 property acquisition for the new Substation No. 9, which will be located in the vicinity of the existing substation, was completed and in August 2016 a comprehensive easement agreement was executed with Amtrak concerning construction of the new substation and operation and maintenance following construction, which will require PATH to access Amtrak property.
- The requested increase is due to an increase in construction costs, engineering, PATH facility forces and allocated agency costs.
PATH – REPLACEMENT OF SUBSTATION NO. 9 - PROJECT RE-AUTHORIZATION AND AWARD OF CONTRACT PAT-084.001

It was recommended that the Board: (1) re-authorize a project to replace and upgrade Substation No. 9 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of $64.7 million, an increase of $5.2 million over the previously authorized amount; and (2) authorize the President of PATH to award Contract PAT-084.001 to the joint venture of Halmar International LLC/LB Electric Co., LLC to construct the project, at an estimated construction cost of $37,271,528, inclusive of allowances for extra work (if necessary) and field-ordered work.

A critical component of the operation of the PATH rail system is the traction power required to move trains. The existing PATH Substation No. 9, located in Harrison, New Jersey, provides traction power to support a portion of the PATH rail operations between Journal Square Station and Newark Station. The substation is over 45 years old, and replacement is necessary in order to ensure continued reliable traction power to support PATH rail operations. In addition, the substation sustained extensive damage as a result of Superstorm Sandy and its associated storm surge.

At its meeting of April 25, 2007, the Board authorized planning work, at a total estimated cost of $4.5 million, for the replacement/upgrade of PATH Substations Nos. 7, 8 and 9 and the direct current switchgears in Switching Stations Nos. 6 and 10. At its meeting on November 19, 2009, the Board authorized an additional $2 million in planning funds for the replacement/upgrade of those substation and switching stations. The property interests necessary to construct the new Substation No. 9 were acquired pursuant to a resolution adopted by the Committee on Operations, acting for and on behalf of the PATH Board, relating to the replacement and upgrade of the PATH Harrison Station. At its meeting of June 25, 2014, the Board authorized the project to replace Substation No. 9, at an estimated total project cost of $59.5 million.

The project provides for the furnishing, installation and commissioning of medium-voltage switchgear, traction power transformers, rectifiers and switchgear, associated auxiliary systems and equipment. All equipment will be installed indoors in a new two-story steel-framed building to be constructed at elevations that will be above Federal Emergency Management Agency Base Flood Elevation, in compliance with the Port Authority’s Climate Resilience Guidelines. The new traction power equipment will incorporate an energy storage system to allow energy recovery from PATH’s PA-5 railcars regenerative braking. The requested additional funds are needed due to increases in construction costs based on the actual low bid received, engineering costs due to design changes related to coordination of the project with the upgrade and replacement of the PATH Harrison Station, additional PATH facility forces to support construction and project-related agency allocated costs.

Replacing and upgrading Substation No. 9 would provide reliable and efficient power to the PATH rail system and enhance customer service. Building the substation at a higher elevation and placing the equipment indoors would enhance reliability and security, and ease maintenance. In addition, it would accommodate future electrical power demand that is anticipated to increase above present level, as a result of anticipated increases in PATH train service.
It is anticipated that up to 90 percent of the eligible costs (exclusive of costs incurred prior to Superstorm Sandy) of the project would be recoverable through a grant from the Federal Transit Administration. All contracts to be awarded to implement the project would be in compliance with federal procurement guidelines, including Contract PAT-084.001, which would be awarded to Halmar International LLC/LB Electric Co., LLC, Joint Venture, the lowest bidder pursuant to a publicly advertised solicitation process. A field-ordered work allowance would provide for contractor compensation for undefined items of work encountered during construction, which would be compensated as lump sum or cost reimbursement with a markup not to exceed a specified fixed dollar amount.

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

**RESOLVED**, that a project to replace and upgrade Substation No. 9 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of $64.7 million, an increase of $5.2 million from the previously authorized amount, be and it hereby is re-authorized; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to award Contract PAT-084.001 to Halmar International LLC/LB Electric Co., LLC, Joint Venture, to construct the foregoing project, at an estimated construction cost of $37,271,528, inclusive of allowances for extra work (if necessary) and field-ordered work; 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 such other contracts and agreements as may be necessary to effectuate the foregoing project; 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.
5. World Trade Center – Retail Pre-Tenant Fit-out – Increase in Authorization to Existing Design and Design Management Services Agreement with World Trade Center Properties

Request:
- This item requests an increase of $5 million to an existing agreement with World Trade Center (WTC) Properties LLC, c/o Silverstein Properties (SPI) for design and construction administration services in connection with the WTC Retail project, which would result in a revised total estimated amount of $43.5 million for these services.

Transaction Details:
- Continuation of architectural and engineering services are required for close-out of the remaining elements of the initial WTC Retail development project and completion of Retail in the above-grade areas of Tower 3 and the former PATH North Temporary Access area.
- The proposed increase would allow for the continuation of these services through completion of work in the aforementioned areas, which is currently forecast to be required through June 2020.

Background:
- SPI provides architect of record and engineer of record design management and construction administration services for certain areas of the WTC Retail project.
- Via prior actions from December 2006 through December 2013, the Board authorized expenditures in connection with the retention of SPI’s services for the purpose of providing plans and specifications, construction documents and construction administration services in support of the Retail Project.
- As of December 2013, the project schedule anticipated the initial development scope of the WTC Retail project, which includes the retail areas within the WTC Transportation Hub, the below-grade retail areas in Towers 1, 2, 3 and 4, and the above-grade retail areas in Tower 4, to be at full completion in 2015 and projected a 2018 opening of retail in Tower 3 and the North Temporary Access area. Since that time, construction extensions have impacted the overall schedule, prolonging completion of initial development scope to a now targeted date of late 2017 and the remaining areas in late 2019. As a result, SPI’s services need to be extended through project close-out in 2020.
- Additionally, an extended construction schedule precipitated a more complex and labor intensive sequence of turnover of specific retail areas in order to meet lease obligations to Westfield, the WTC Retail net lessee, with turnover of equipment and spaces occurring in isolated timelines instead of as a single event as originally anticipated. This necessitated a loss of efficiency-of-scale by requiring repeated site visits for inspections. Also, construction delivery of the initial development scope in back-of-house areas in partial stages and post- WTC Retail grand opening has further impacted efficiencies by having to conduct work in areas traversed by staff.
- Furthermore, unanticipated changes related to contractor scope transfers, program design changes, base building design changes affecting Retail, and increased time for resolution of punch list items and field conditions necessitated additional design and construction administration services.
WORLD TRADE CENTER RETAIL PROJECT – PRE-TENANT FIT-OUT – INCREASE IN AUTHORIZATION TO EXISTING DESIGN AND DESIGN MANAGEMENT SERVICES AGREEMENT WITH WORLD TRADE CENTER PROPERTIES, LLC

It was recommended that the Board authorize an increase of $5 million to the existing design services agreement with World Trade Center (WTC) Properties, LLC c/o Silverstein Properties Inc. (SPI), for Architect of Record (AOR), Engineer of Record (EOR) and other professional consultant, design, design management, and construction administration services in furtherance of the WTC Retail Project (Retail Project). The increase is necessary for close-out of Initial Development Scope and completion of the Tower 3 Above Grade, Cortlandt Way, and former North Temporary Access areas of the Retail Project. WTC Retail LLC, a component unit of the Port Authority, needs this funding in order to meet its contractual obligations with Westfield Corporation (Westfield). The proposed action would bring the total amount allocated for design and design management services to be performed by SPI and its sub-consultants in connection with the Retail Project to $43.5 million, and would support this continuing effort through 2020.

In April 2007, WTC Retail LLC executed an agreement with SPI for design and design management services, for the purpose of providing expert professional design services to the Retail Project. Since that time, several Board authorizations have provided for increases in the scope of that agreement. Most recently, in December 2013, the Board authorized an increase of $3.7 million in the amount of the agreement, bringing the total accumulated allocation for design services to $38.5 million. At that time, the project schedule anticipated the Retail Project Initial Development Scope to be at full completion in 2015, and projected a 2018 opening of retail businesses in the Tower 3 Above Grade and North Temporary Access areas. However, since then, construction delays have impacted the overall schedule, prolonging completion of the Initial Development Scope to a revised targeted date of late 2017, with the Tower 3 Above Grade and North Temporary Access retail openings anticipated to occur in late 2019, requiring AOR and EOR services to extend in parallel with construction progress, with project close-out anticipated to occur in 2020.

Extended AOR and EOR services are required for continued monitoring of construction progress and final project sign-offs in support of the following activities: (1) responding to contractor Requests For Information, reviewing contractors’ shop drawings and submittals, and assisting in the resolution of field conditions; (2) submissions of any needed design changes; (3) review and sign-offs on all inspection reports; (4) certification of project completion, in accordance with submitted plans and specifications; (5) requesting paperwork for final Permission To Occupy (PTO); and (6) final preparation, review and verification of close-out documentation. Without these specifically defined services, the Retail Project cannot gain final PTOs of the retail spaces, preventing the Port Authority from delivering commitments in the agreements with Westfield.

Delivery of the Tower 3 Above Grade and North Temporary Access retail areas pursuant to the Westfield agreements triggers the determination for the deemed opening of the retail tenants, at which time payment of approximately $224 million (subject to certain adjustments) to the Port Authority is due from Westfield.

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

RESOLVED, that World Trade Center Retail LLC be and it hereby is authorized to increase by $5 million the amount of its existing agreement with World
Trade Center Properties, LLC, c/o Silverstein Properties, for Architect of Record, Engineer of Record and other professional consultant, design, design management, and construction administration services necessary to close out the Initial Development Scope, and complete the Tower 3 Above Grade, Cortlandt Way and North Temporary Access areas of the World Trade Center Retail Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase the amount of the foregoing agreement, consistent with the terms outlined to 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.

Request:
- This item authorizes the final terms of the lease agreement with Delta Air Lines, in connection with the design, construction, operation and maintenance of a new, 37-gate terminal at LaGuardia Airport (LGA) and related facilities.
LAGUARDIA AIRPORT, NEW TERMINAL C&D - AMENDED AND RESTATED AGREEMENT FOR LEASE OF NEW TERMINAL C&D – AMENDMENT OF PRIOR RESOLUTION

On July 21, 2016, the Board authorized certain capital expenditures to be made in connection with a new 37-gate terminal (“New Terminal”) to replace Terminal C and Terminal D at LaGuardia Airport, subject to the Board’s further approval of the terms and conditions of a lease agreement. On January 5, 2017, the Board authorized entry into a lease agreement with an entity to be jointly owned by Delta Air Lines, Inc. (“Delta”) or an affiliate and West Street Infrastructure Partners III, a fund managed by Goldman, Sachs & Co. (“WSIP”), in connection with the Project (as defined in the January 2017 Resolution), on terms described in such Resolution. Following the January 2017 Board authorization, certain changes to the Project occurred which have necessitated revisions to the lease agreement (as revised, the “Lease”) described below. It is recommended that the Board now authorize the Executive Director to enter into the proposed Lease.

Following the January 2017 Board authorization, WSIP withdrew its involvement in the Project. As a result, Delta is now proposed to be the direct and sole counterparty to the Lease. Revisions have been made throughout the Lease to reflect that Delta alone will now develop, construct, operate and maintain the New Terminal and related facilities and will be directly responsible to the Port Authority for complying with the standards and requirements of the Lease.

The design and construction cost of the Project (other than costs funded by the Port Authority’s $600 million contribution previously authorized by the Board) will now be funded entirely by Delta. It is expected that Delta will fund such costs through direct investments, as well as debt financing. Because the Project costs will be funded or financed by Delta directly and any cost overruns will be exclusively the responsibility of Delta, the minimum equity investment (of $300 million) formerly required by the lessee entity is no longer necessary and will no longer be required in the Lease. In addition, payment of a fee or an equity gain share to the Port Authority in connection with a transfer of equity of the lessee entity or an assignment of the leasehold interest granted under the prior lease agreement is no longer necessary and will no longer be required. Since the January 2017 Board authorization, Delta has further developed the design and construction phasing plans for the Project, in coordination with the Port Authority staff. Based on the latest plans for the Project, the construction is targeted to be substantially completed in 2026, as previously reported to the Board. Depending on the final design and construction phasing plans, the 2026 target completion date may change.

Other than as described above, the commercial terms of the Lease remain substantially similar to the terms of the lease agreement previously authorized by the Board in January of 2017.

It was recommended that the Board authorize the Executive Director to enter into the Lease and the construction management contract on behalf of the Port Authority, on terms substantially consistent with those outlined to the Board on January 5, 2017 and in today’s report.

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 enter into an amended and restated lease

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agreement and any related agreements with Delta Air Lines, Inc. in connection with the
design, construction, operation and maintenance of a new, 37-gate terminal at
LaGuardia Airport and related facilities, on terms substantially consistent with those
outlined to the Board on January 5, 2017; 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 the General Counsel
or his authorized representatives, and the terms of such contracts, agreements, and other
documents shall be subject to the approval of the General Counsel or his authorized
representatives.