

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
MEETING OF THE BOARD OF COMMISSIONERS AND BOARD COMMITTEE
MEETINGS – THURSDAY, SEPTEMBER 22, 2016

The following is the agenda and related materials as of Friday, September 16, for the September 22, 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 – 10:30 a.m. (Agenda Review Room)

Committee on Security

The Committee on Security will meet in executive session to discuss matters involving public safety or law enforcement and matters involving external or internal investigations or audits.

Committee on Finance

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

World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee will meet in executive session to discuss matters involving ongoing negotiations or reviews of contracts or proposals.

Nominating Committee

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

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

Committee on Operations

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| ♦ Elizabeth-Port Authority Marine Terminal – East Coast Warehouse & Distribution Corp. – New Lease | Molly Campbell |
| ♦ LaGuardia Traffic Congestion | Lysa Scully/
Richard Smyth |

Committee on Capital Planning, Execution and Asset Management

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| ♦ PATH - Tunnels E and F Infrastructure Repairs – Project | Michael Marino |
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Board Meeting – 12:30 p.m. (estimated) (Board Room)

- ◆ Election of Officer
- ◆ Report of Executive Director
- ◆ Report on Minimum Wage
- ◆ Speakers Program*
- ◆ Moynihan Station
- ◆ Special Panel Implementation Office Reports
- ◆ Trans-Hudson Commuter Capacity Study
- ◆ Resolution Approvals

Patrick Foye

Louis Venech

Executive Session Meeting – All Commissioners

The Board of Commissioners will also meet in executive session immediately following 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.

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 10:00 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
September 22, 2016 Meeting***

1. Elizabeth–Port Authority Marine Terminal – Grant of Easements to Public Service Electric and Gas Company
2. Elizabeth-Port Authority Marine Terminal – East Coast Warehouse & Distribution Corp. – New Lease EP-296
3. Port Newark and the Elizabeth-Port Authority Marine Terminal – Master Sidetrack Agreement with Consolidated Rail Corporation for Rail Asset Maintenance
4. World Trade Center and Other Major Capital Projects – 80 Pine Street, New York, New York - New Sublease Agreement
5. John F. Kennedy International Airport – Replacement of Facility-wide Fire Alarm System – Planning Authorization
6. LaGuardia Airport – Replacement of Pump House 6 Substation – Project Authorization
7. PATH – Tunnels E and F between Exchange Place Station and World Trade Center Station – Infrastructure Repairs – Project Authorization
8. Howland Hook Marine Terminal – Enhancement of Pavement Subgrade – Project Authorization
9. Revised Minimum Wage Policy and Guidelines for Non-Trade Labor Service Contracts – All Facilities
10. Moynihan Station Transportation Program – Funding for Redevelopment of James A. Farley Building into Moynihan Station Transportation and Commerce Center – Program Authorization
11. Moynihan Station Transportation Program – Facility Certification
12. Purchase of Public Liability Insurance (To be considered by Committee on Finance)

* 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.

(Board – 9/22/16)

1. Elizabeth-Port Authority Marine Terminal – Grant of Easements to Public Service Electric and Gas Company

Request:

- *This item authorizes agreements with Public Service Electric and Gas Company (PSE&G) to allow for PSE&G to construct, operate, maintain and repair a new high-voltage underground electric power transmission cable system underneath a portion of Port Authority-owned property at the Elizabeth-Port Authority Marine Terminal (EPAMT) in connection with PSE&G’s Linden-Bergen Corridor Upgrade Project.*

Transaction Details:

- *The exclusive permanent easement (Exclusive Easement) would cover an approximate 68,577 square foot area located over, and around the circuit units that would house PSE&G electric transmission conductor cables.*
- *The Port Authority would also grant PSE&G a non-exclusive construction easement (Temporary Easement), consisting of an approximately 210,252 square foot area, for an approximately six-month period for the sole purpose of allowing PSE&G to install new underground electrical transmission cables.*
- *PSE&G would be responsible to obtain all necessary permits and for all costs associated with the design, construction, operation, maintenance, service and repair of the planned underground electrical system.*

Background:

- *PSE&G is installing new electrical transmission circuits and modifying and/or constructing twelve switching stations as part of its \$1.2 billion project through eight New Jersey municipalities, from Ridgefield to Linden.*
- *PSE&G is seeking to construct, install, operate, maintain, service, repair, restore, replace and inspect all portions of a 345kV electrical circuit and associated conduit within the southern and southwestern sections of the approximately 102-acre unimproved vacant property at the EPAMT. The majority of the property is encumbered by freshwater wetlands, wetland buffers and flood zone designations, which limits the development potential of the property.*
- *The proposed PSE&G transmission line originates in Bergen and runs under Newark Bay and approximately 2,200 linear feet of the property. The Exclusive Easement would run along the Port Authority property line in order to limit impacts on potential future development of the property.*

**ELIZABETH–PORT AUTHORITY MARINE TERMINAL – GRANT OF EASEMENTS
TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

It was recommended that the Board authorize the Executive Director to enter into an agreement with Public Service Electric and Gas Company (PSE&G), whereby the Port Authority would grant to PSE&G a permanent easement and a temporary construction easement to construct, operate, maintain, and repair a new high-voltage electric power transmission cable system underneath a portion of Port Authority-owned property identified as Lot 1316 in Block 1 on the tax maps of the City of Elizabeth, New Jersey (Property) and a part of the Elizabeth-Port Authority Marine Terminal (EPAMT), in connection with PSE&G's Linden-Bergen Corridor Upgrade Project (Project), for a sum of \$111,094 for the permanent easement and \$5,475 on a monthly basis for the duration of the temporary construction easement.

As part of its Project, PSE&G is installing new underground and overhead electrical transmission circuits and modifying or constructing 12 switching stations to build a new high-voltage underground electric power transmission cable system from PSE&G's Bergen switching station in Ridgefield, New Jersey to its Linden switching station in Linden, New Jersey. The right-of-ways and stations would extend through eight New Jersey municipalities in Essex, Hudson, Union, and Bergen Counties (Linden, Elizabeth, Newark, Bayonne, Jersey City, North Bergen, Secaucus, and Ridgefield).

Pursuant to the proposed action, the Port Authority would grant to PSE&G a permanent easement to an approximately 68,557 square-foot area located below-grade and at-grade for the operation, maintenance and repair of the electric power transmission cable system within a portion of the Property. The permanent easement would be located along the property line, in order to limit impacts on future development of the Property. In addition, the Port Authority would convey to PSE&G a temporary construction easement to an approximately 210,252 square-foot area, to allow for construction and installation of the electric power transmission cable system. Construction by the Port Authority of permanent structures within the permanent easement area would be prohibited; however, the Port Authority would retain the right to utilize the permanent easement area for other marine terminal purposes, such as the storage of cargo. PSE&G would be responsible for all necessary permitting and for all costs associated with the design, construction, operation, maintenance, and repair of the utility transmission line.

The Port Authority would reserve the right, at its sole cost, to relocate the permanent easement, and to make modifications for the support or protection of the electric power transmission cable or permanent easement area, if current or future operations at EPAMT require development of the Property, for the first 15 years of the permanent easement term. Thereafter, any necessary relocation of the permanent easement or costs to protect or support the transmission system resulting from Port Authority development or operations on the Property for the EPAMT would be at the sole cost of PSE&G.

PSE&G's new electric power transmission cable system would provide more reliable electrical service to Newark Liberty International Airport's switching station in Elizabeth, as well as redundancies throughout PSE&G's power grid in the New York/New Jersey region.

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 Public Service Electric and Gas Company (PSE&G) to provide for the Port Authority to grant a permanent easement and a temporary construction easement to PSE&G to construct, operate, maintain and repair a new high-voltage electric power transmission cable system underneath a portion of Port Authority-owned property identified as Lot 1316 in Block 1 on the tax maps of the City of Elizabeth, New Jersey and a part of the Elizabeth-Port Authority Marine Terminal in connection with PSE&G's Linden-Bergen Corridor Upgrade Project, for a sum of \$111,094 for the permanent easement and \$5,475 on a monthly basis for the duration of the temporary construction easement; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to execute any other documents or 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 – 9/22/16)

2. Elizabeth-Port Authority Marine Terminal – East Coast Warehouse & Distribution Corp. – New Lease EP-296

Request:

- This item authorizes a lease with East Coast Warehouse & Distribution Corp. (East Coast) for the occupancy of Building 1130 at the Elizabeth-Port Authority Marine Terminal (EPAMT) and associated open area, to provide for the continued receipt, storage, and distribution of refrigerated and non-refrigerated import and export cargoes, including a Centralized Examination Station operated by U.S. Customs and Border Protection (Customs) at the leasehold, at a total aggregate rental of approximately \$29.5 million.

Transaction Details:

- The proposed lease would commence on January 1, 2017 for a nine-year and eleven-month term and provide for increased revenues to the Port Authority; the transfer of fire sprinkler and structural maintenance responsibilities to East Coast; and tenant investment in the premises.

Background:

- East Coast, the largest public warehouse operator at the Port of New York and New Jersey, has been a tenant at the EPAMT since 1960. The tenant currently leases a total of approximately 45 acres, including approximately 1.1 million square feet of warehouse space, under three leases: EP-149 covering 15.3 acres (including Building 1150) through May 2025; EP-158 covering 16.4 acres (including Building 1140) through November 2026; and EP-295 covering 13.51 acres (including Building 1130) expiring in December 2016.
- The Customs operation within the leasehold includes a stationary Vehicle and Cargo Inspection System unit for inspections by Customs, the U.S. Food and Drug Administration, and the U.S. Department of Agriculture.
- In order to allow East Coast to continue to serve, maintain and pursue new customers and business opportunities, make capital investments in the facility, as well as allow Customs to operate a CES, the tenant requires a long-term lease for Building 1130 and its associated open area.

ELIZABETH-PORT AUTHORITY MARINE TERMINAL – EAST COAST WAREHOUSE & DISTRIBUTION CORP. – NEW LEASE EP-296

It was recommended that the Board authorize the Executive Director to enter into: (1) a new lease agreement with East Coast Warehouse & Distribution Corp. (East Coast) for the continued occupancy of Building 1130, consisting of 13.51 acres of warehouse space and associated open area (the Leasehold) at the Elizabeth-Port Authority Marine Terminal (EPAMT), from January 1, 2017 through November 30, 2026; and (2) a supplement to the lease for the potential inclusion of an adjacent parcel, on substantially the same terms as those of the lease.

East Coast has been a tenant at the EPAMT since 1960. It currently leases a total of approximately 45 acres, including approximately 1.1 million square feet of warehouse space, under three agreements: Lease No. EP-149, covering 15.3 acres (including Building 1150) and expiring on May 31, 2025; Lease No. EP-158, covering 16.4 acres (including Building 1140) and expiring on November 30, 2026; and Lease No. EP-295, covering approximately 13.51 acres (including Building 1130) and expiring on December 31, 2016.

East Coast specializes in the receipt, storage and distribution of refrigerated and non-refrigerated import and export items. In addition, U.S. Customs and Border Protection (Customs) operates within the Leasehold a Centralized Examination Station, which includes a stationary Vehicle and Cargo Inspection System unit for inspections by Customs, the U.S. Food and Drug Administration, and the U.S. Department of Agriculture. East Coast has requested a new long-term agreement for the letting of Building 1130 and its associated open area that would be coterminous with one of its other two agreements.

The total aggregate rental over the term of the new lease agreement would be approximately \$29.5 million. East Coast's maintenance responsibilities would be expanded to include fire sprinkler and structural maintenance. East Coast plans to invest at least \$2.5 million in improvements to the Leasehold premises, with such improvements to be subject to the prior review and approval of the Port Authority. If such improvements are completed within the first five years of the new lease agreement, East Coast would receive a rent credit for a portion of the work performed, which would be applied once the improvements are complete. Additionally, the parties may enter into a supplement to the lease, to incorporate a parcel adjacent to the premises, upon substantially the same terms as those of the lease.

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) a new lease agreement with East Coast Warehouse & Distribution Corp. for the continued occupancy of Building 1130, consisting of 13.51 acres of warehouse space and associated open area at the Elizabeth-Port Authority Marine Terminal, from January 1, 2017 through November 30, 2026; and (2) a supplement to the lease, to incorporate into the leasehold an adjacent parcel of property upon substantially the same terms as those of the lease; each 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, 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 – 9/22/16)

3. *Port Newark and the Elizabeth-Port Authority Marine Terminal – Master Sidetrack Agreement with Consolidated Rail Corporation for Rail Asset Management*

Request:

- *This item seeks authorization to enter into a Master Sidetrack Agreement with the Consolidated Rail Corporation (Conrail) to provide for the establishment of maintenance standards and responsibilities for Port Authority-owned rail assets within Port Newark and the Elizabeth-Port Authority Marine Terminal (EPAMT).*

Transaction Details:

- *The proposed agreement would commence on or about October 15, 2016 for a 40-year term and provides for the Port Authority and/or its tenants to maintain Port Authority-owned rail assets at Port Newark and the EPAMT to Federal Railroad Administration (FRA) Class 1 Standards. FRA Class 1 Standards for freight provides for low-speed operations (10 miles per hour), and covers all aspects of track and rail compliance, including curvature, gage, alignment and crossties.*

Background:

- *The Port Authority owns certain rail tracks that are adjacent to Conrail property and used by Conrail to facilitate sidetrack service to industries and to serve those industries located within the New Jersey Marine Terminals. Those rail tracks are either operated and maintained by the Port Authority or by tenants pursuant to operating agreements or other agreements with the Port Authority.*
- *In August 2008, the Board authorized an assignment agreement with Conrail, whereby Conrail would assign to the Port Authority all of Conrail's rights and obligations with respect to a right of first refusal to purchase New York New Jersey Rail, LLC (NYNJRR), the only cross-Hudson River rail service in the Port District. The assignment agreement was executed in September 2008 and enabled the Port Authority to purchase NYNJRR.*
- *As consideration for the assignment agreement, the Port Authority agreed to negotiate in good faith a railroad sidetrack agreement covering properties owned by Port Authority and operated on by Conrail for its freight operations at Port Newark and the EPAMT. The assignment agreement stipulates that the final terms of the Master Sidetrack Agreement are subject to Board approval.*
- *Although the Port Authority and its tenants have not been previously held to FRA Class 1 Standards, current maintenance routines are consistent with the routines to be performed after the obligation is memorialized with the execution of the Master Sidetrack Agreement.*

**PORT NEWARK AND THE ELIZABETH-PORT AUTHORITY MARINE TERMINAL –
MASTER SIDETRACK AGREEMENT WITH CONSOLIDATED RAIL
CORPORATION FOR RAIL ASSET MAINTENANCE**

It was recommended that the Board authorize the Executive Director to enter into a Master Sidetrack Agreement with Consolidated Rail Corporation (Conrail) to provide for the Port Authority and/or its tenants, permittees or operators to maintain Port Authority-owned rail assets at Port Newark and the Elizabeth-Port Authority Marine Terminal (EPAMT) to Federal Railroad Administration (FRA) Class 1 Standards.

The Port Authority owns certain rail tracks located within Port Newark and the EPAMT and adjacent to Conrail property in and around Corbin Street in Newark, New Jersey, which are used by Conrail to facilitate sidetrack service to industries and to serve those industries located within Port Newark and the EPAMT. These Port Authority-owned rail tracks at Port Newark and the EPAMT are either operated and maintained by the Port Authority or by tenants, permittees, or operators of the Port Authority, at their own expense, pursuant to operating agreements or other agreements.

In August 2008, the Board authorized the Executive Director to enter into an assignment agreement with Conrail, whereby Conrail would assign to the Port Authority all of Conrail’s rights and obligations with respect to a “right of first refusal” to purchase New York New Jersey Rail, LLC (NYNJR). The assignment agreement was executed in September 2008 and enabled the Port Authority to purchase all of the membership interests of NYNJR. NYNJR, a wholly owned entity of the Port Authority, currently operates the only cross-Hudson River rail service in the Port District, transporting rail cars via carfloat between Greenville Yard - Port Authority Marine Terminal in Jersey City, New Jersey and the 65th Street Yard in Brooklyn, New York.

As an element of consideration for the assignment agreement, the Port Authority agreed to negotiate in good faith a railroad sidetrack agreement covering properties owned by the Port Authority and used by Conrail for Conrail’s freight operations in Port Newark and the EPAMT. The Port Authority and Conrail have completed negotiations of a Master Sidetrack Agreement which would have a term of approximately 40 years and would provide either party with the right to terminate the agreement on at least 180 days’ prior written notice. The agreement would further provide for the Port Authority and/or its tenants to maintain Port Authority-owned rail assets at Port Newark and the EPAMT to FRA Class 1 Standards. FRA Class 1 Standards for freight provide for low-speed operations (10 miles per hour), in order to accommodate the geometry of the sidetracks, with maintenance standards specific to this low-speed operating environment. These standards cover all aspects of track and rail compliance, including curvature, gauge, alignment, and crossties. Although the Port Authority and its tenants have not been held previously to FRA Class 1 Standards, the tracks are currently maintained to those standards. The execution of the Master Sidetrack Agreement would memorialize that practice.

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 Master Sidetrack Agreement with Consolidated Rail Corporation to provide for the Port Authority and/or its tenants, permittees, or operators to maintain Port Authority-owned rail assets at Port Newark and the Elizabeth-Port Authority Marine Terminal to Federal Railroad Administration Class 1 Standards; 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 – 9/22/16)

4. World Trade Center and Other Major Capital Projects – New Sublease Agreement for Space at 80 Pine Street

Request:

- *This item authorizes a sublease with Transatlantic Reinsurance Company (TransRE) for the entire 7th floor at 80 Pine Street, which is in close proximity to the WTC Site, consisting of approximately 57,245 rentable square feet to provide offices for World Trade Center Construction and Major Capital Projects staff for an approximate five-year and two-month term at a total aggregate rental of approximately \$8.2 million.*

Transaction Details:

- *Proposed sublease would commence on November 1, 2016.*
- *TransRE currently has this space under lease with Rudin Management and would be subletting to the Port Authority for the remainder of its term through December 30, 2021.*
- *Premises would be delivered to the Port Authority fully furnished and in move-in condition.*
- *Port Authority would not be required to pay any brokerage commissions in connection with this transaction.*

Background:

- *TransRE has been marketing this space, which is currently vacant, since its relocation, and has offered the space at below-market rates.*
- *Approximately 150 Port Authority and contract staff would move to 80 Pine Street from their current offices at 115 Broadway. The lease at 115 Broadway will expire on December 31, 2016.*

WORLD TRADE CENTER AND OTHER MAJOR CAPITAL PROJECTS – 80 PINE STREET, NEW YORK, NEW YORK - NEW SUBLEASE AGREEMENT

It was recommended that the Board authorize the Executive Director to enter into a new sublease agreement with Transatlantic Reinsurance Company (TransRe) for the Port Authority to occupy, use and refurbish the entire 7th floor of 80 Pine Street, New York, New York (80 Pine), which contains approximately 57,245 rentable square feet of space, for an approximately five-year and two-month term, commencing on or about November 1, 2016, for the provision of office space for World Trade Center Construction and Major Capital Projects staff, as well as staff of affiliated contractors.

The Port Authority currently leases certain office space on the 5th, 6th and 7th floors at 115 Broadway, New York, New York (115 Broadway) from Trinity Center LLC, which lease is due to expire on December 31, 2016. With the impending lease expiration, staff conducted an assessment of other suitable office space in Lower Manhattan and identified the subject space as a cost effective alternative to a lease renewal at 115 Broadway.

TransRe currently leases, but does not occupy, the 7th floor of 80 Pine, and has been marketing the premises to potential sublessees. The proposed Port Authority sublease at 80 Pine would accommodate approximately 100 Port Authority staff and contractors who are currently located on the 5th, 6th and 7th floors of 115 Broadway.

The proposed sublease would be effective on or about November 1, 2016. The aggregate rent payable by the Port Authority over the term of the sublease would be approximately \$8.2 million. The Port Authority intends to invest approximately \$1 million in moving and refurbishment costs, with a portion of such costs to be offset by a tenant improvement allowance from TransRe. Furthermore, the space at 80 Pine is pre-built space that TransRe would deliver to the Port Authority with all furniture, fixtures and equipment.

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 new sublease agreement with Transatlantic Reinsurance Company for the Port Authority to occupy, use and refurbish the entire 7th floor of 80 Pine Street, New York, New York, which contains approximately 57,245 rentable square feet of space, for an approximately five-year and two-month term, commencing on or about November 1, 2016, for the provision of office space for World Trade Center Construction and Major Capital Projects executive and administrative staff, as well as staff of affiliated contractors, 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, 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 – 9/22/16)

5. John F. Kennedy International Airport - Replacement of Facility-Wide Fire Alarm System – Planning Authorization

Request:

- *This item authorizes \$7 million in planning for replacement fire alarm systems at Port Authority-maintained buildings at John F. Kennedy International Airport (JFK).*

Transaction Details:

- *The proposed planning authorization would advance preliminary designs for replacement fire alarm systems in 41 buildings and include preliminary design plans and concept of operation for addressable, code compliant fire alarm systems. Planning would also assess costs and benefits associated with integration of mass notification systems with the replacement systems.*

Background:

- *The Port Authority is currently responsible for maintaining 41 buildings at JFK. The existing fire alarm systems in these buildings were installed between the 1950s and the early 2000s and require replacement in order to ensure a state of good repair and comply with current code.*
- *Recent inspections of the fire alarm systems determined that they should be replaced with a modern system that has a higher degree of programming flexibility and enhanced ability to pinpoint potential fire events.*

JOHN F. KENNEDY INTERNATIONAL AIRPORT – REPLACEMENT OF FACILITY-WIDE FIRE ALARM SYSTEM – PLANNING AUTHORIZATION

It was recommended that the Board authorize planning work for the replacement and upgrade of fire alarm systems at Port Authority-maintained buildings at John F. Kennedy International Airport (JFK), in order to provide conformity with the latest building and national fire safety code standards, at an estimated cost of \$7 million.

The Port Authority is responsible for maintaining and operating 41 buildings at JFK, including the fire alarm systems for those buildings. The existing fire alarm systems in the Port Authority-maintained buildings were installed between the 1950s and the early 2000s, and have exceeded their useful life.

A condition assessment that was conducted earlier this year recommended the replacement and upgrade of the existing fire alarm systems in each of the 41 Port Authority-maintained buildings at JFK. The proposed planning work would support the preliminary design of a project to provide for an integrated fire alarm system that conforms with the latest building and fire codes and standards.

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

RESOLVED, that planning work for the replacement and upgrade of fire alarm systems at Port Authority-maintained buildings at John F. Kennedy International Airport, at an estimated cost of \$7 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning work, 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.

6. LaGuardia Airport – Replacement of Pump House 6 Substation– Project Authorization

Request:

- *This item authorizes a \$9.1 million project for the replacement and elevation of Pump House 6 substation and associated electrical work in order to enhance storm resilience at LaGuardia Airport (LGA), including the award of a contract to construct the project.*

Transaction Details:

- *This project provides for the relocation of the substation for Pump House 6 with all associated electrical equipment to an elevation of 52” above the FEMA 100-year flood elevation.*
- *Included is authorization to award a contract to construct the project pursuant to a publicly advertised/low bid process at an estimated total construction cost of \$5.9 million.*

Background:

- *LGA was severely affected by Superstorm Sandy. The storm inundated LGA with an estimated 100 million gallons of seawater from Flushing and Bowery Bays, which made it necessary to close the airport.*
- *LGA has an extensive storm-water drainage system consisting of a series of catch basins, manholes and underground pipes, which primarily convey storm water to five pump houses. Collectively these five pump stations have the capacity to discharge in excess of 447,000 gallons of water per minute over the airport perimeter berm system into Flushing and Bowery Bays. Superstorm Sandy’s floodwaters inundated Pump House 6 and its electrical substation with several feet of seawater, immediately rendering them inoperable and causing long-term corrosion-related problems.*
- *Four previous contracts have been awarded to advance upgrades to LGA pump houses and associated equipment to enhance infrastructure resiliency post-Superstorm Sandy. Work under three contracts has been completed and work under a fourth contract will be completed in 2017.*

LAGUARDIA AIRPORT – PUMP HOUSE 6 SUBSTATION – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the design and construction for replacement of the Pump House 6 substation at LaGuardia Airport (LGA), at an estimated total project cost of \$9.1 million; and (2) the Executive Director to award a contract to perform the construction work associated with the replacement of the Pump House 6 substation, a new pump control house and all associated electrical equipment, at an estimated total construction cost of \$5.9 million.

LGA was severely affected by Hurricane Sandy and its associated storm surge in late October 2012. With an elevation of 13 feet above sea level and surrounded on three sides by Bowery and Flushing Bays, LGA is highly vulnerable to flooding associated with severe weather events.

To address its flood vulnerability, LGA has an extensive storm-water drainage system consisting of a series of catch basins, manholes and underground pipes, which primarily convey storm water to five pump houses located around the waterside of the airport. The five pump houses discharge storm water over the perimeter dike system into Flushing and Bowery Bays. Hurricane Sandy's floodwaters inundated the pump houses and associated electrical substations with several feet of seawater, immediately rendering them inoperable and causing long-term electrical and mechanical issues due to corrosion.

Since Hurricane Sandy, staff has completed, and is currently advancing, a number of resiliency efforts at LGA, including pump house improvements and other flood protection work.

Building on these resiliency efforts, the proposed project would provide for removal of the existing Pump House 6 substation and installation of a new substation, a new pump control house, and all associated electrical equipment, a Supervisory Control and Data Acquisition system, and automatic logic flow metering environmental equipment on a platform that is 52 inches above the Federal Emergency Management Agency (FEMA) 100-year flood elevation. The project would protect vital infrastructure from flood damage and prevent the loss of critical airport infrastructure during times of flooding.

Of the total project cost, 90 percent of eligible project costs are recoverable through FEMA grants. The balance of the costs would be recovered through LGA flight fees.

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

RESOLVED, that a project for the design and construction for replacement of the Pump House 6 substation at LaGuardia Airport, at an estimated total project cost of \$9.1 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 award a contract to perform the construction work associated with the replacement of the Pump House 6 substation and all associated electrical equipment, at an estimated total construction cost of \$5.9 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 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.

(Board – 9/22/16)

7. PATH – Tunnels E and F between Exchange Place and World Trade Center – Infrastructure Repairs – Project Authorization

Request:

- *This item authorizes a \$400 million project to replace the track, third rail, electrical, signal and communications infrastructure in the under river portions of PATH’s Tunnels E and F between Exchange Place and the World Trade Center in order to address latent damages resulting from Hurricane Sandy.*

Transaction Details:

- *The project includes replacement of the following elements:*
 - *Track, third rail and appurtenances in Tunnels E and F between Exchange Place and WTC Stations*
 - *Signals in Tunnels E and F, Exchange Place and WTC Stations*
 - *27KV, 15KV & traction power and intertripping cables at Tunnels E and F, Exchange Place and WTC Stations*
 - *Lighting, blue light stations and 480V power distribution equipment in Tunnels E and F*
 - *Radio and electronics in Tunnels E and F and Exchange Place Station*
 - *Corrosion protection and control system in Tunnels E and F*
 - *Auxiliary power equipment and cable replacement at Exchange Place Station*
- *The construction management and inspection services for this contract will be provided by Engineering’s Storm Mitigation and Resiliency Program through an existing agency consultant program to support federally funded hurricane repair and resiliency projects.*

Background:

- *Since Hurricane Sandy, efforts have advanced to restore PATH facilities to full functionality, repair damaged infrastructure, address damage that was identified following restoration of PATH service, mitigate the potential of future storm damage, and make the facilities more resilient.*
- *At Board meetings from October 16, 2013 through May 28, 2014, the Board authorized certain actions with respect to latent damage repairs and design services in connection with replacement of infrastructure in PATH tunnels, of which approximately \$27 million was associated with work in Tunnels E and F. Of that amount, approximately \$8.2 million was for engineering design services to support the proposed project.*
- *The construction of the project will require weekend closures of one of the two PATH tunnels to lower Manhattan, which will allow PATH to maintain its normal weekend World Trade Center service. To accommodate holidays and essential tunnel maintenance, contract work is limited to 35 weekends per year. Because of the volume of work, its complexity, and the physical constraints of the tunnels, this staging plan results in an overall contract duration of 7 – 8 years. PATH will continue to explore and assess opportunities to accelerate construction.*

PATH – TUNNELS E AND F BETWEEN EXCHANGE PLACE STATION AND WORLD TRADE CENTER STATION – INFRASTRUCTURE REPAIRS – PROJECT AUTHORIZATION

It was recommended that the Board authorize a project to replace the track, third rail, electrical, signal, and communications infrastructure in the under-river portions of the Port Authority Trans-Hudson Corporation (PATH) rail system's Tunnels E and F, located between Exchange Place Station in Jersey City, New Jersey and the World Trade Center (WTC) Station in Lower Manhattan, at an estimated total project cost of \$400 million.

In October 2012, PATH rail facilities and equipment were severely impacted by Hurricane Sandy. The storm resulted in significant flooding throughout the PATH rail system. In 2013 and 2014, the Board authorized certain actions to retain design services and perform repairs to infrastructure in PATH system tunnels, to address latent damage associated with corrosive salt residue that resulted from flooding of the tunnels following Hurricane Sandy. Approximately \$27 million of the expenditures authorized at that time was associated with work in Tunnels E and F, including approximately \$8.2 million for engineering design services to support the currently proposed project.

The proposed project would provide for the replacement of the following infrastructure within the project area or portions thereof: (1) track, third rail and appurtenances; (2) signals; (3) 27-kilovolt (KV), 15-KV and traction power, and inter-tripping cables; (4) lighting, blue light stations and 480-volt power distribution equipment; (5) radio and electronics; (6) corrosion protection and control system; and (7) auxiliary power equipment and cable replacement.

It is currently anticipated that work would be carried out such that only one tunnel would be taken out of service for 35 weekends per calendar year. Weekend service between Exchange Place Station and the WTC Station would continue. The remaining 17 weekends during which no work is scheduled would be reserved for facility maintenance activities and major holidays. PATH will continue to explore and assess opportunities to accelerate construction in conjunction with maintaining service, where possible.

Construction management and inspection services for the proposed project would be provided through an existing agency consultant program to support federally funded Port Authority and PATH hurricane repair and resiliency projects. It is expected that 90 percent of the eligible total project cost would be recoverable through a grant from the Federal Transit Administration.

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

RESOLVED, that a project to replace the track, third rail, electrical, signal and communications infrastructure in the under-river portions of the Port Authority Trans-Hudson Corporation (PATH) rail system's Tunnels E and F, located between Exchange Place Station and the World Trade Center Station, at an estimated total project cost of \$400 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, including contracts for the preparation of necessary environmental documents and associated planning and design work, 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 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.

8. Howland Hook Marine Terminal – Enhancement of Pavement Subgrade – Project Authorization

Request:

- *This item authorizes a project to strengthen approximately nine acres of open area, including associated subsurface work, which is used for container storage at the Howland Hook Marine Terminal (HHMT) and which was severely damaged as a result of Hurricane Sandy, to ensure pavement stability at an estimated total project cost of \$32.7 million.*

Transaction Details:

- *The proposed authorization would provide for subgrade strengthening of approximately nine acres of open area at the HHMT, rendering the area more resilient to future storms. Work would include the removal of existing paver blocks and subsurface granular fill, excavation to remove the underlying gypsum laden material, placement of a geotextile-reinforced structural backfill material, resurfacing of the area with asphalt pavement and, as-needed, enhancement of the storm drainage system and other subsurface utilities.*

Background:

- *The HHMT was built by American Export Lines and was purchased in 1973 by the City of New York (City). The Port Authority currently leases the HHMT from the City under an agreement that expires in July 2058, and subleases the 153-acre HHMT to GCT New York, LP (Global) through December 2029.*
- *Prior to the Port Authority's leasing of the HHMT from the City and the commencement of container terminal operations, significant amounts of gypsum were disposed of throughout the HHMT. The gypsum has slowly dissolved over time creating subsurface voids, resulting in sinkholes.*
- *Pursuant to a June 2000 Board authorization, a contract was awarded for the paving and installation of drainage utilities on approximately 11 acres of undeveloped open area at the HHMT at an estimated amount of \$7 million. Work included partial excavation of unsuitable material, backfilling with clean compacted fill and paving with a concrete block system that also included two underlying layers of geotextile. The design intent was to have the voids manifest at the ground surface as depressions instead of sudden sinkholes.*
- *During the week of October 28, 2012, damage from Hurricane Sandy and its associated storm surge caused the underlying gypsum to dissolve at an accelerated rate, impacting the area for container operations.*
- *This project is required in order to allow the tenant to resume use of the area for container storage.*

HOWLAND HOOK MARINE TERMINAL – ENHANCEMENT OF PAVEMENT SUBGRADE – PROJECT AUTHORIZATION

It was recommended that the Board authorize a project to strengthen approximately nine acres of open area (Site), including associated subsurface work, which is used for container storage at the Howland Hook Marine Terminal (HHMT) and was severely damaged as a result of Hurricane Sandy, at an estimated total project cost of \$32.7 million, of which amount approximately \$23.1 million is anticipated to be recovered through the Federal Emergency Management Agency (FEMA) Public Assistance Program.

The Port Authority leases the HHMT from the City of New York (City) through July 2058. GCT New York, LP (Global) currently subleases from the Port Authority the 153-acre HHMT under an agreement that expires in December 2029.

Prior to the Port Authority’s leasing of the HHMT from the City and the commencement of container terminal operations, significant amounts of gypsum were disposed of throughout the HHMT. The gypsum has slowly dissolved over time, creating subsurface voids resulting in sinkholes. Pursuant to a June 2, 2000 Board action, a contract was awarded for the paving and installation of drainage utilities on approximately 11 acres of undeveloped land at the HHMT. That design work provided for the voids to manifest at the ground surface as depressions instead of sudden sinkholes.

In 2012, Hurricane Sandy and its associated storm surge caused significant flooding at the HHMT, which caused the underlying gypsum to dissolve at an accelerated rate, impacting the area for container operations.

In 2015, FEMA authorized the allocation of \$3.9 million for engineering design and permitting to strengthen the pavement subgrade and improve drainage at the Site. Upon completion of design by the submission deadline of October 29, 2016, FEMA will consider additional costs, in an amount not to exceed \$26.9 million, for the construction of approved project improvements, for a total FEMA-approved project cost of \$30.8 million. Approximately 75 percent of the \$30.8 million, which amounts to \$23.1 million, is expected to be recovered by the Port Authority through FEMA’s Public Assistance Program. Implementation of the project improvements is contingent upon the Port Authority’s recovery of the \$23.1 million from FEMA.

The proposed enhancement project would provide for the subgrade strengthening of the Site, rendering the area more resilient to future storms. Work would include the removal of existing paver blocks and subsurface granular fill, excavation to remove the underlying gypsum-laden material, placement of a geotextile-reinforced structural backfill material, and resurfacing of the area with asphalt pavement. The work also would include, as needed, enhancement of the storm drainage system and other subsurface utilities.

Staff is currently in discussions with Global to provide for the recovery from Global of a portion of the Port Authority’s costs associated with the proposed project through a reimbursement agreement, with the reimbursement amount currently estimated at \$3.85 million. Execution of the reimbursement agreement is contingent upon Global’s review and approval of the final design of the proposed project that is to be submitted to FEMA by October 29, 2016.

This project would contribute to providing a safe and reliable facility capable of supporting container terminal operations at the HHMT.

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

RESOLVED, that a project to strengthen approximately nine acres of open area, including associated subsurface work, which is used for container storage at the Howland Hook Marine Terminal, at an estimated total project cost of \$32.7 million, of which approximately \$23.1 million is anticipated to be recovered through the Federal Emergency Management Agency Public Assistance Program, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, 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 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 – 9/22/16)

9. *Revised Minimum Wage Policy and Guidelines for Non-Trade Labor Service Contracts – All Facilities*

Request:

- *This item directs the Executive Director to take the necessary actions to implement a revised policy concerning non-trade labor service contracts at all agency facilities.*

REVISED MINIMUM WAGE POLICY AND GUIDELINES FOR NON-TRADE LABOR SERVICE CONTRACTS – ALL FACILITIES

The wage and benefit provisions in what has come to be known as “non-trade labor service contracts” have been a topic of discussion with the Board from time to time over the years to ensure that these provisions continue to reflect Port Authority contracting policy, including the payment of fair wages and benefits under contracts procured by the Port Authority. In the 1980s, as the Port Authority outsourced various services, in order to achieve a consistent cost effective approach to these contracts, the Port Authority established minimum average wage requirements for contractors’ employees performing under certain Port Authority contracts, including non-trade labor service contracts. The most recent manifestation of this dialogue resulted in the Board’s adoption, on April 24, 2014, of a minimum wage policy for certain non-trade labor service contracts at Port Authority facilities.

In order to further the Port Authority’s commitment to fair wages and benefits for non-trade labor service contract workers at the Port Authority’s facilities and to enhance safety, security and quality of customer service at those facilities, it was recommended that the Port Authority’s policy established in April 2014 for non-trade labor service contractors doing businesses at all Port Authority facilities to pay their workers an appropriate minimum wage be revised. It was also recommended that the Executive Director be authorized to amend the minimum wage guidelines to implement such policy at Port Authority facilities, with such guidelines to generally include (i) the types of non-trade labor services to be covered; (ii) the hourly wage to be paid to the lowest paid workers in such covered categories, with a goal of implementing an increase in the pay for low wage covered workers to the applicable minimum wage required by the law of New York or New Jersey, provided that where there is a conflict between the laws of the States and/or municipality, the higher of the minimum wages be adopted by the Port Authority, but in no event may the pay be at a rate of less than \$10.10 per hour (the rate pursuant to the policy adopted by the Board in April 2014); (iii) an appropriate cost of living increase for the established wage levels; (iv) a plan for the development of enhanced wages and benefits, including health benefits for covered workers.

In order to achieve compliance with the policy and the guidelines to be established at Port Authority facilities including the airports, it was also recommended that the Executive Director be authorized to amend applicable facility rules, regulations, tariffs or like mechanisms, and to include appropriate provisions in new or amended agreements, permits and contracts requiring that such non-trade labor service contractors, as a condition of doing business at Port Authority facilities, pay their covered workers the minimum wage levels set forth in the policy and guidelines.

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

RESOLVED, that it is the policy of The Port Authority of New York and New Jersey that non-trade labor service contract workers of those entities doing business at Port Authority facilities receive the applicable minimum wage required by the law of the State of New York or New Jersey, provided that where there is a conflict between the laws of the States and/or municipality, the higher of the minimum wages be adopted by the Port Authority, but in no event may the pay be at a rate of less than \$10.10 per hour (the rate pursuant to the policy adopted by the Board in April 2014);

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 or appropriate to implement such policy, including, but not limited to, the amendment of applicable facility rules, regulations, tariffs or like mechanisms, and the inclusion of appropriate provisions in new or amended agreements, permits and contracts requiring that such non-trade labor service contractors, as a condition of doing business at Port Authority facilities, pay their covered workers the minimum wage levels set forth in the policy and guidelines: 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.

REVISED MINIMUM WAGE POLICY AND GUIDELINES FOR NON-TRADE LABOR SERVICE CONTRACTS – ALL FACILITIES

The wage and benefit provisions in what has come to be known as “non-trade labor service contracts” have been a topic of discussion with the Board from time to time over the years to ensure that these provisions continue to reflect Port Authority contracting policy, including the payment of fair wages and benefits under contracts procured by the Port Authority. In the 1980s, as the Port Authority outsourced various services, in order to achieve a consistent cost effective approach to these contracts, the Port Authority established minimum average wage requirements for contractors’ employees performing under certain Port Authority contracts, including non-trade labor service contracts. The most recent manifestation of this dialogue resulted in the Board’s adoption, on April 24, 2014, of a minimum wage policy for certain non-trade labor service contracts at Port Authority facilities.

In order to further the Port Authority’s commitment to fair wages and benefits for non-trade labor service contract workers at the Port Authority’s facilities and to enhance safety, security and quality of customer service at those facilities, it was recommended that the Port Authority’s policy established in April 2014 for non-trade labor service contractors doing businesses at all Port Authority facilities to pay their workers an appropriate minimum wage be revised. It was also recommended that the Executive Director be authorized to amend the minimum wage guidelines to implement such policy at Port Authority facilities, with such guidelines to generally include (i) the types of non-trade labor services to be covered; (ii) the hourly wage to be paid to the lowest paid workers in such covered categories, with the pay for low wage covered workers to be equal to or greater than the minimum wage specified by the law of New York or New Jersey, based on the State in which a particular Port Authority facility is located, but in no event may the pay be at a rate of less than \$10.10 per hour (the rate pursuant to the policy adopted by the Board in April 2014); (iii) an appropriate cost of living increase for the established wage levels; and (iv) a plan for the development of enhanced wages and benefits, including health benefits for covered workers.

In order to achieve compliance with the policy and the guidelines to be established at Port Authority facilities including the airports, it was also recommended that the Executive Director be authorized to amend applicable facility rules, regulations, tariffs or like mechanisms, and to include appropriate provisions in new or amended agreements, permits and contracts requiring that such non-trade labor service contractors, as a condition of doing business at Port Authority facilities, pay their covered workers the minimum wage levels set forth in the policy and guidelines.

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

RESOLVED, that it is the policy of The Port Authority of New York and New Jersey that non-trade labor service contract workers of those entities doing business at Port Authority facilities receive pay equal to or greater than the minimum wage specified by the law of the State of New York or New Jersey, based on the State in which a particular Port Authority facility is located, but in no event may the pay be at a rate of less than \$10.10 per hour; 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 or appropriate to implement such policy, including, but not limited to, the amendment of applicable facility rules, regulations, tariffs or like mechanisms, and the inclusion of appropriate provisions in new or amended agreements, permits and contracts requiring that such non-trade labor service contractors, as a condition of doing business at Port Authority facilities, pay their covered workers the minimum wage levels set forth in the policy and guidelines: 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 – 9/22/16)

10. Moynihan Station Transportation Program – Funding for Redevelopment of James A. Farley Building into Moynihan Station Transportation and Commerce Center – Program Authorization

Request:

- *This item authorizes the Moynihan Station Transportation Program as well as the capital expenditures, in an aggregate amount not to exceed \$150 million, to be provided to the New York State Urban Development Corporation d/b/a Empire State Development Corporation for the Moynihan Station Transportation Program.*

MOYNIHAN STATION TRANSPORTATION PROGRAM – FUNDING FOR REDEVELOPMENT OF JAMES A. FARLEY BUILDING INTO MOYNIHAN STATION TRANSPORTATION AND COMMERCE CENTER – PROGRAM AUTHORIZATION

It was recommended that the Board authorize the Moynihan Station Transportation Program (Moynihan Program), to continue to support the State of New York, acting through New York State Urban Development Corporation d/b/a Empire State Development Corporation (ESD), in advancing a project to redevelop the James A. Farley United States Post Office Building and its Western Annex (together, the Farley Building) into a new transportation facility serving the New York and New Jersey region (the Project), with a two-phase plan for the financing, design and construction of a new transportation facility in the Farley Building, to be known as Moynihan Station. This new facility would accommodate increasing intercity and commuter mass transit ridership and address congestion at New York’s Pennsylvania Station (Penn Station) by providing a new train hall, additional passenger concourses and vertical circulation elements, new ticketing and passenger service facilities, station entrances that allow direct access to platforms and trains through the Farley Building, and improved connections between Penn Station, the new Moynihan Station and New York City Transit Authority subway lines.]

At its meeting of March 21, 2016, the Board, among other things, authorized the Executive Director to arrange for a study of proposals for the Port Authority to participate further in the Project, through a lease or other agreement with ESD and/or its subsidiaries, with such proposals to provide for: (1) enhanced airport access for passengers and others using John F. Kennedy International Airport (JFK) and Newark Liberty International Airport (EWR); and/or (2) enhanced services for Port Authority Trans-Hudson Corporation (PATH) commuters; and/or (3) other purposes consistent with existing legislation and agreements with the holders of the Port Authority’s obligations.

Following a subsequent examination of proposals regarding further Port Authority participation in the Project, it was recommended that the Board authorize capital expenditures, in an aggregate amount not to exceed \$150 million to be provided to ESD, for the Moynihan Program. Under the present recommendation, the Executive Director would be authorized to effectuate such program, consistent with existing legislation and agreements with the holders of the Port Authority’s obligations.

A companion resolution as being advanced at this meeting of the Board to certify Moynihan Program as an additional facility of the Port Authority.

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

RESOLVED, that the Moynihan Station Transportation Program, continue support to the State of New York, acting through New York State Urban Development Corporation d/b/a Empire State Development Corporation , through the provision of Port Authority funds an amount not to exceed \$150 million to New York State Urban Development Corporation d/b/a Empire State Development Corporation (ESD) and/or its affiliates toward the cost of a project to redevelop the James A. Farley United States

Post Office Building and its Western Annex into a new transportation facility serving the New York and New Jersey region, subject to the necessary facility certification in connection with such action; 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 any and all action to effectuate the foregoing, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith, including, but not limited to, contracts and agreements with ESD and/or one of its affiliates; 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 all contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

(Board – 9/22/16)

11. Moynihan Station Transportation Program – Facility Certification

Request:

- *This item requests that the Board certify the Moynihan Station Transportation Program as an additional facility of the Port Authority.*

MOYNIHAN STATION TRANSPORTATION PROGRAM – FACILITY CERTIFICATION

It was recommended that the Board: (1) certify the Moynihan Station Transportation Program (Moynihan Program or Facility) as an additional facility of the Port Authority with an aggregate amount not to exceed \$150 million; and (2) authorize the Executive Director or Chief Financial Officer of the Port Authority to reaffirm the certification at the time of issuance of the first series of Consolidated Bonds for purposes which include the Facility, provided there is no substantial adverse change in the economic basis for the certification.

A companion item is being advanced in this meeting of the Board through which authorization is being sought for the Moynihan Program, in order to provide capital expenditures in an aggregate amount not to exceed \$150 million, and for the Port Authority to participate further in the Project, through an agreement with Empire State Development and/or its subsidiaries, and authorized the Executive Director to effectuate the contribution.

Certification as an additional facility of the Port Authority is required by covenants with the holders of Consolidated Bonds (which includes Consolidated Notes) at the time of issuance of the first Consolidated Bonds for purposes which include capital expenditures in connection with the additional facility. The Moynihan Program is to be an additional facility of the Port Authority and, therefore, certification is necessary if any portion of the proceeds of Consolidated Bonds, the issuance of which in connection with this Facility is expected in the near future, is to be used for purposes of capital expenditures in connection with the Facility. The Executive Director or Chief Financial Officer of the Port Authority would be authorized to reaffirm the certification at the time of issuance of the first series of Consolidated Bonds for purposes which include the Facility, provided there is no substantial adverse change in the economic basis for the certification.

So that the Commissioners, in exercise of sound business judgment, may act on this certification of opinion, the Chief Financial Officer has reviewed with the Commissioners the Facility’s overall financial standing and condition of the Port Authority and the economics of the Facility.

It is the Chief Financial Officer’s opinion that, subject to reaffirmation of this opinion at the time of issuance of the first Consolidated Bonds for purposes which include capital expenditures for the Facility, the application of any portion of the proceeds of such series of Consolidated Bonds in connection with the Facility will not, during the periods 2017 through 2046, reflecting the traditional 30-year term of long-term Consolidated Bonds, and 2017 through 2026, the ensuing ten-year period associated with Consolidated Bonds, including Consolidated Notes, with a maturity of less than ten years, in light of the Port Authority’s estimated expenditures in connection with the Facility and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

The Chief Financial Officer’s opinion incorporated anticipated results for the Port Authority for the period 2017-2026 and a schedules showing presently anticipated cash flows for

the Facility, together with the major assumptions, as set out above, and upon which these anticipated results were based. This opinion was based upon these forecasts and other conditions existing at the present time.

The Chief Financial Officer's opinion noted that any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecasts underlying the opinion and actual results, and those differences may be material. However, the Chief Financial Officers' opinion and these estimates were based in part on information supplied by the Comptroller, the Director of Management & Budget, the Chief of Capital Planning, Execution and Asset Management, which information the Chief Financial Officer believed to be accurate.

In reaching the conclusion set forth in her opinion, the Chief Financial Officer considered the covenants with holders of Consolidated Bonds, including those providing for the Port Authority to establish charges in connection with the Port Authority's facilities, to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds, including those issued in connection with the Facility, and its covenant to maintain in good condition and upon a sound operating basis all facilities. This conclusion was also based, in part, on the Chief Financial Officer's consideration of the present financial condition of the Port Authority and its continued ability to conduct its business affairs, and the assumption set forth in the preceding sentence that the Port Authority will, at all times during the ensuing 30-year period, continue to have net revenues sufficient to pay such required debt service during such period.

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

RESOLVED, that certification is hereby made as of September 22, 2016, that, in the opinion of the Port Authority, the issuance of Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures in connection with the Moynihan Transportation Program (the Facility) will not, during the periods 2017 through 2046 and 2017 through 2026, in light of the Port Authority's estimated revenues and expenses in connection with the Facility, and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

RESOLVED, that the Executive Director or the Chief Financial Officer be and each hereby is authorized to reaffirm said certification on behalf of the Port Authority at the time of issuance of the first Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures in connection with the Facility, provided that there is no substantial adverse change in the economic basis for said certification, in which event said certification shall remain in effect as the opinion of the Port Authority at such time of issuance.

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 all contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

12. Purchase of Public Liability Insurance

Request:

- *This item requests authorization from the Committee on Finance (Committee) to purchase public liability insurance coverage, through broker, Willis Towers Watson (Willis), for all facilities of the Port Authority and its component units, including coverage for excess worker's compensation and losses arising from acts of terrorism, with appropriate available limits, deductibles and other terms, effective October 27, 2016 for up to a two-year term.*

Transaction Details:

- *The public liability coverage provides protection for the Port Authority and its component units with respect to potential losses related to bodily injury and property damage claims or suits brought by third parties.*
- *Program options will be discussed with Willis and insurance underwriters in order to place the most comprehensive coverage at the best available price.*
- *The program also provides for the purchase of terrorism coverage under the federal Terrorism Risk Insurance Program Reauthorization Act of 2015 through the Port Authority Insurance Captive Entity, LLC.*

Background:

- *At its meeting February 19, 2015 meeting, the Committee authorized an agreement with Willis to provide brokerage services, including placement and administration, for property and public liability insurance programs for a three-year term. The Port Authority also has the option to extend the agreement for one three-year renewal period.*
- *At its September 24, 2015 meeting, the Committee authorized the purchase of public liability insurance, for a one-year term, effective October 27, 2015.*

PURCHASE OF PUBLIC LIABILITY INSURANCE

It was recommended that the Committee on Finance (Committee) authorize the purchase of public liability (Liability) insurance through the broker, Willis Towers Watson f/k/a Willis Group (Willis), with appropriate available limits, self-insured retentions and other terms, including coverage for excess workers' compensation and losses arising from acts of terrorism, for all facilities of the Port Authority and its component units, for a term of up to two years, effective October 27, 2016. The Executive Director, the Chief Financial Officer, the Treasurer and the Chief Procurement Officer each would be authorized to take action to effectuate the purchase of Liability insurance to protect the Port Authority and its related entities against potential losses related to bodily injury and property damage claims or suits brought by third parties, consistent with the terms outlined to the Committee.

At its February 19, 2015 meeting, the Committee authorized a brokerage agreement with Willis for a three-year term, from March 1, 2015 through February 28, 2018, to provide brokerage services, including placement and administration, for the property damage and loss of revenue and the Liability insurance programs, at a total combined fee of \$2,026,768. The Port Authority has the option to extend the agreement with Willis for one three-year renewal period, at an aggregate estimated additional brokerage fee of \$2,233,431.

At its meeting on September 24, 2015, the Committee authorized the purchase of Liability insurance, through Willis, including coverage for excess workers' compensation and losses arising from acts of terrorism, for all facilities of the Port Authority and its related entities for a one-year term, effective October 27, 2015. The current liability insurance coverage is scheduled to expire on October 27, 2016.

It is expected that the underwriters that are presently providing the Liability insurance coverage will continue to participate, and that additional insurers will be added to the program, to better leverage pricing of the various insurance layers, and that Port Authority Insurance Captive Entity, LLC also will continue to participate in the Liability insurance coverages, in order to gain additional capacity and pricing considerations, including with regard to terrorism coverage under the Terrorism Risk Insurance Program Reauthorization Act of 2015.

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 public liability insurance, through the broker Willis Towers Watson f/k/a Willis Group, including coverage for excess workers' compensation and losses arising from acts of terrorism, for all facilities of the Port Authority and its component units for a term of up to two years, effective October 27, 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, for and

on behalf of the Port Authority, to take action to effectuate 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.