

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, October 19, 2006

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, October 19, 2006 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Angelo J. Genova
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. David S. Mack

Kenneth J. Ringler, Jr., Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Anna Abelian, Supervising Office Assistant, Public Affairs
 Gwendolyn Archie, Principal Marketing Analyst, Aviation
 Matthew Baratz, Assistant Director, Office of Business Development
 Kayla M. Bergeron, Chief, Public and Government Affairs
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Ernesto L. Butcher, Chief Operating Officer
 Wilfred Chabrier, Director, Office of Regional and Economic Development
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 Jo-Ann Dalessio, Senior Executive Secretary, Public and Government Affairs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Michael P. DePallo, Director, PATH
 Francis A. DiMola, Director, Real Estate
 John Drobny, Director, Project Management
 William E. Ellis, Assistant Director, Port Planning Division, Port Commerce
 Iran H. Engel, Assistant Treasurer
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 Patrick Flinn, General Manager, Regional and Economic Development
 Ziomara Y. Foster, Senior Administrator, Office of the Secretary
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief, Real Estate/Regional and Economic Development
 Gertrude Gillian, Employee Communications Representative, Public Affairs
 Aaron Graham, Senior Business Consultant, Human Resources
 Glenn Guzi, Senior External Affair Representative, Government and Community Affairs
 Linda C. Handel, Assistant Secretary
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Louis J. LaCapra, Chief Administrative Officer
 Shawn K. Laurenti, Director, Government and Community Affairs
 Timothy Lizura, Director, World Trade Center Redevelopment

Francis J. Lombardi, Chief Engineer
Leticia Lugo, Senior Executive Secretary, Chief Technology Office
Kenneth J. Lucianin, Staff External Affairs Representative, Government and Community Affairs
Norma L. Manigan, Program Director, External Affairs, Public Affairs
Stephen Marinko, Attorney, Law
John J. McCarthy, Director, Public Affairs
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Lynn A. Nerney, Senior Administrator, Office of the Secretary
Tony F. Oliver, Senior Marketing Analyst, Public Affairs
Steven P. Plate, Director, Priority Capital Programs
Samuel J. Plumeri, Jr., Superintendent of Police/Director of Public Safety
Alan L. Reiss, Deputy Director, Aviation
Cruz C. Russell, Director, Office of Policy and Planning
Edmond F. Schorno, Chief of Staff
Stephen Sigmund, Senior Policy Advisor, Office of the Deputy Executive Director
Harry Specter, Deputy Director, Public Affairs
Timothy G. Stickelman, Chief, Public Securities, Law
Sheree R. VanDuyne, Manager of Policies and Protocol, Office of the Secretary
Mariana Velasco-Lopez, Executive Assistant, Public Affairs
Peter J. Zipf, Deputy Chief Engineer, Engineering

Guests:

Gregory G. Burnham
Sonia Frontera, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 1:40 p.m. and ended at 2:14 p.m. The Board met in executive session prior to the public session.

Report of the World Trade Center Site Planning Subcommittee

The World Trade Center Site Planning Subcommittee reported, for information, on matters discussed in executive session at its meeting on October 19, 2006, which included discussion of contract and lease matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal.

Report of Security Subcommittee

The Security Subcommittee reported, for information, on matters discussed at its meeting on October 19, 2006, which included discussion of public safety matters and property matters.

Report of the Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on September 21, 2006, which included discussion of internal audit matters, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in executive session at its meeting on October 19, 2006, which included discussion of contract matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on October 19, 2006, which included discussion of matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public session at its meeting on October 19, 2006, which included discussion of a project for the implementation of Phases 2A and 2B of the ExpressRail Port Newark and ExpressRail Corbin Street Intermodal Rail Support Facility at Port Newark and the Elizabeth-Port Authority Marine Terminal, a contract to implement the lower level expansion and vertical circulation improvements in Terminal B at Newark Liberty International Airport and a review of 2006 third quarter construction results and the status of various capital projects included in the 2006 Capital Budget, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public and executive session at its meeting on October 19, 2006, which included discussion of a supplemental agreement with Bombardier Transportation (Holdings) USA, Inc. for the rehabilitation of vehicle bodies and subsystems for AirTrain Newark, property matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Staff Reports

Presentations were made by staff on: a project in connection with improvements for the ExpressRail Newark and ExpressRail Corbin Street Intermodal Rail Support Facility; the potential acquisition under the Pre-development Site Acquisition Program of properties in connection with the Trans-Hudson Express (THE) Tunnel project; a proposal to sell certain property currently owned by the Port Authority; and a report on the status of the Port Authority's organizational effectiveness and change management effort.

**DOWNTOWN RESTORATION PROGRAM - WORLD TRADE CENTER
VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY
– INCREASE IN PLANNING AUTHORIZATION**

It was recommended that the Board authorize an increase of \$15 million for the Conceptual Planning (Stage I) and Preliminary Engineering (Stage II) design efforts for engineering (inclusive of \$8 million in funding under the professional architectural and engineering services agreement, as approved by the World Trade Center Site Planning Subcommittee in September 2006), project administration and other requirements, including \$2 million for development of a tour bus parking area under the Port Authority Trans-Hudson system (PATH) Terminal; \$3 million for early-action Final Design (Stage III) of combined sanitary and storm sewer relocation and perimeter wall construction packages; and \$2 million for award of an early action construction contract (Stage IV) for combined sanitary and storm sewer lines; all for the World Trade Center (WTC) Vehicular Security Center and Tour Bus Parking Facility (Vehicular Facility), resulting in a total authorization for this work of \$25 million.

In August 2005, New York Governor George E. Pataki requested an allocation from a Federal Transit Administration (FTA) grant to fund the first phase of the WTC Vehicular Facility project. The Port Authority and FTA entered into a Project Development Agreement in September 2005 providing for preliminary engineering and environmental review of the project. Certain Stage I (Conceptual Planning) work was performed by Port Authority staff.

Under prior actions through December 2003, the Board had authorized up to \$15 million in funding for planning and coordination of the WTC Site Public Infrastructure. This work (previously referred to as WTC Site Public Infrastructure) included funds for both the WTC Vehicular Facility and street and sidewalk improvements. Five million dollars remains of the original authorization that was allocated for planning associated with the street and sidewalk improvements. In December 2003, the Board authorized planning for the WTC Site Public Infrastructure and a Project Development Agreement with the FTA. In December 2005, the Board delegated authority to the WTC Site Planning Subcommittee to award an agreement for Expert Professional Architectural and Engineering Services in connection with the WTC Vehicular Facility, to assist staff in the development of a below-grade Vehicular Security Center, to provide vehicle access and a bus parking facility, and to support the WTC site. Pursuant to that delegation, in September 2006, the WTC Site Planning Subcommittee authorized the retention of Liberty Security Partners to provide these services at a total estimated amount of \$15 million, with \$7 million to be funded from previously authorized planning funding and the balance (\$8 million) to be requested as part of this proposed increase in planning authorization.

Authorization of additional funds at this time would ensure that further design, engineering and construction efforts associated with the WTC Vehicular Facility can proceed. The contemplated work is as follows:

Phase I:

The work would encompass planning and engineering for a new basement structure area south of the existing WTC site, including a below-grade level to support approximately 28 future parking spots for buses transporting visitors to Downtown Manhattan, with an

entryway. In addition, internal access ramps will be designed, which will include a vehicle screening area for buses and service vehicles, as part of the Vehicular Security Center.

The Vehicular Security Center will be designed to include the latest in proven technologies, including a vehicle scanning system, vehicle arrest devices, control gates, security booths, a closed-circuit television surveillance system and an Operations Office.

The Scope of Work provides for an extensive, vertical roadway network to access the subsurface tour bus parking level. The security program to be implemented will assist with the protection of valuable mass transit assets located within the boundaries of the WTC site.

Phase IA - Under the proposed authorization, the work will include environmental review, Preliminary Engineering Design (Stage II) and certain early-action construction contract preparation work for the above-described Phase I work.

Phase IB - Under future authorizations, Final Design and Contract Documents (Stage III) and construction contracts for the above-described Phase I scope would be included.

Phase II:

The work would encompass planning and engineering for a new tour bus parking facility, with approximately 50 spaces that would be constructed within the WTC East Basement beneath the PATH Terminal. This area will be accessed through the entry described above in Phase I.

Phase IIA - Under the proposed authorization, the work will include Conceptual Engineering Design (Stage I) and Preliminary Engineering Design (Stage II) for the above-described Phase II work.

Phase IIB - Under future authorizations, the work will include Final Design and Contract Documents (Stage III) and Post-Award Services (Stage IV) for the above-described Phase II work.

This planning would support the development of a WTC Memorial by allowing for sufficient infrastructure to support the Memorial's operation, and would provide for appropriate review and design of security measures to ensure the safe and efficient delivery of goods and services to the WTC site. Ultimately, the planning is to develop a below-grade Vehicular Security Center to support the WTC site. The construction of this facility is critical to the long-term operation of the facilities at the WTC site.

The \$15 million increase in authorization is inclusive of: \$8 million for Stage I and Stage II Design Effort (Phase I); \$2 million for Stage I and Stage II Design Effort for a Tour Bus Parking Area under the PATH Terminal (Phase II); \$3 million for Early-Action Stage III Design of Sewer Relocation and Perimeter Wall Construction (Phase I); and \$2 million for Award of Early-Action Construction Contract for Sewer Relocation (Phase I).

All expenditures associated with Phase I of the WTC Vehicular Facility project are

fully eligible for reimbursement from the FTA grant for the project, consistent with the terms of the grant, the Project Development Agreement, and other applicable agreements with the FTA. Pursuant to formal arrangements with the FTA, current expenditures associated with Phase II of the WTC Vehicular Facility project are potentially eligible for reimbursement from a future FTA grant for the project, subject to availability of remaining FTA funds for Lower Manhattan transportation projects or other funding sources.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Genova, Mack, Pocino, Sartor, and Steiner voting in favor; none against:

RESOLVED, that an increase of \$15 million for the Conceptual Planning (Stage I) and Preliminary Engineering (Stage II) design efforts for engineering (inclusive of \$8 million in funding under an existing professional architectural and engineering services agreement, as approved by the World Trade Center Site Planning Subcommittee in September 2006), project administration and other requirements (including \$2 million for development of a tour bus parking area under the Port Authority Trans-Hudson system Terminal); \$3 million for early-action Final Design (Stage III) of combined sanitary and storm sewer relocation and perimeter wall construction packages; and \$2 million for award of an early-action construction contract (Stage IV) for combined sanitary and storm sewer lines; all for the World Trade Center Vehicular Security Center and Tour Bus Parking Facility, resulting in a total authorization for this work of \$25 million, be and it hereby is authorized.

PORT NEWARK AND THE ELIZABETH-PORT AUTHORITY MARINE TERMINAL – EXPRESSRAIL PORT NEWARK AND EXPRESSRAIL CORBIN STREET INTERMODAL RAIL SUPPORT FACILITY – PHASES 2A AND 2B - PROJECT AUTHORIZATION

It was recommended that the Board authorize, as part of the ongoing Port Intermodal Rail Development Program (Program): (1) a project at Port Newark and the Elizabeth-Port Authority Marine Terminal (EPAMT) to provide for the final design and construction of Phases 2A and 2B of the ExpressRail Port Newark and the ExpressRail Corbin Street Intermodal Rail Support Facilities (Facilities), at a total estimated project cost of \$66 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses and a project contingency (if necessary); and (2) the Executive Director to: (a) take action with respect to purchase and construction contracts and contracts for professional and advisory services and such other contracts and agreements as may be necessary or appropriate to effectuate the project, including agreements with utility companies for utility line relocation and protection work, subject to advising the Commissioners of individual contracts or agreements to be acted upon pursuant to this authorization prior to taking or authorizing such action; and (b) obtain necessary approvals and permits, enter into right-of-entry agreements, including a right-of-entry agreement with Conrail, and to grant and receive associated temporary easements necessary to effectuate the project.

Over the past several years, intermodal rail activity at Port Authority marine terminals has continued to grow at record rates. Also, due to a paradigm shift in global trade and trade patterns impacting the Port of New York and New Jersey (Port), a significant business opportunity exists to capture rapidly expanding intermodal rail activity and allow greater utilization of rail as a percentage of regional transportation by accelerating the completion of pivotal phases of this critical Program. In response to this growth and opportunity, a comprehensive Program is underway to design and construct the ExpressRail System, which will result in dedicated intermodal rail transfer facilities at the EPAMT, Port Newark and the Howland Hook Marine Terminal (ExpressRail Elizabeth, ExpressRail Port Newark and ExpressRail Staten Island). The first phase of ExpressRail Elizabeth, authorized in June 2000 as a ten-track rail facility, became operational in October 2004, and ExpressRail Staten Island, authorized in March 2003, is scheduled to commence operations around the end of 2006 with the re-activation of the Staten Island Railroad. In order to achieve a throughput of up to one million containers annually at ExpressRail Elizabeth, in August 2004 the Board authorized the expenditure of approximately \$5 million for planning and preliminary design work for an expansion of the facility from ten tracks to eighteen tracks, a second lead track to ExpressRail Elizabeth and the partial relocation of Bay Avenue. Construction of these projects, which was authorized in April 2005 at a total estimated cost of \$98 million, is scheduled to be completed by May 2009.

In order for the Port's rail facilities to operate as efficiently as possible, support track is necessary to accommodate two-mile-long trains and integrate the rail traffic to and from the three ExpressRail intermodal rail transfer facilities. In recognition of this need, the Board authorized in March 2003 the expenditure of approximately \$3.7 million for the planning and preliminary design of the full build-out of the Facilities to enable the port to handle over one million intermodal containers annually by adding support track west of Corbin Street and

expanding the ExpressRail Port Newark facility serving Port Newark Container Terminal (PNCT) by providing additional track, a truck flyover above Corbin Street and an administration building.

During the planning and preliminary design of the Facilities, numerous conflicts with underground and overhead electrical lines were identified in the narrow approximately 60-acre project area – including a 125-foot-high Federal Aviation Administration (FAA) ground radar tower for Newark Liberty International Airport – that significantly compounded the complexity of the design and development of this project. As a result, the project was divided into four phases (Phases 1A, 1B, 2A and 2B) to allow for the staged development of the site, and an additional \$4.3 million in planning funds was authorized by the Board in February 2005 to achieve the original goal of designing a rail support facility west of Corbin Street capable of handling over one million intermodal containers annually. Because of the utility conflicts, it was only possible within the level of funding originally authorized to develop plans for Phases 1A and 1B, and it was not possible to finalize the layout of the necessary truck flyover linking the ExpressRail Port Newark facility to the PNCT or the additional support track needed west of Corbin Street.

In February 2005, the Board also authorized the construction of Phase 1A and the relocation of utilities for Phases 1A and 1B, at an estimated cost of \$34 million, and the final design of Phase 1B, at an estimated cost of \$2 million. Subsequently, construction of Phase 1B was authorized in April 2005, at an estimated cost of \$43 million. Construction of Phases 1A and 1B, which are scheduled to be completed by December 2006 and May 2008, respectively, will provide over 50,000 linear feet of support track to sufficiently handle capacity through 2010. ExpressRail Port Newark is experiencing operational constraints because of limited container loading capacity, lack of direct connection to the on-dock terminal and the inability of Norfolk Southern to access ExpressRail Port Newark. In order to provide the capacity that would be required to accommodate growth beyond 2010, it is critical to start the design for Phases 2A and 2B, to complete final planning and move forward with the full build-out of the area west of Corbin Street well in advance of the market demand, given the physical and operational complexity of adding capacity in a severely constrained operating environment. The proposed development of Phase 2A would provide approximately 30,000 linear feet of additional support track, two new loading tracks for ExpressRail Port Newark of approximately 4,600 linear feet, a truck flyover, and an administration building. Upon the completion of Phase 2A, ExpressRail Port Newark will have capacity for up to 250,000 annual lifts. It is anticipated that Phase 2B development would provide approximately 26,000 linear feet of additional new and upgraded support track for the three ExpressRail facilities, for a total port-wide capacity of approximately 1.3 million annual lifts.

The ExpressRail Elizabeth facility is currently handling an estimated 280,000 containers annually, the interim ExpressRail Port Newark facility has been at capacity for the last two years, with annual volumes of approximately 50,000 containers (however, the completion of Phase 1A by year-end 2006 will increase annual capacity of this facility to approximately 100,000 containers), and the new ExpressRail Staten Island facility is expected to handle approximately 25,000 containers in its first year of operation. Moreover, with the activation of the Staten Island Railroad and the construction of the Chemical Coast

Connector, a significant volume of other new rail freight activity is expected from Staten Island, which will be processed by Conrail through the rail facilities west of Corbin Street. Expansion of the Facilities ultimately will provide a staging area for intermodal trains arriving and departing our ExpressRail facilities; increase the throughput capabilities of our existing and planned intermodal rail transfer facilities; and create a rail system that will improve transportation efficiencies, reduce highway congestion, enhance the competitive position of the marine terminals, add regional rail freight capacity and increase revenue to the Port Authority.

Construction is expected to commence in 2008 and be completed in 2011. The cost of all components within this authorization and other intermodal rail construction would be recovered through the Intermodal Usage Fee that is applicable to all containers moving via Port Authority intermodal rail facilities.

Pursuant to the foregoing report, the following resolution was adopted with Commissionrs Blakeman, Chasanoff, Coscia, Genova, Mack and Sartor, voting in favor; none against; Commissioners Pocino and Steiner recused:

RESOLVED, that, as part of the ongoing Port Intermodal Rail Development Program, a project at Port Newark and the Elizabeth-Port Authority Marine Terminal to provide for the final design and construction of Phases 2A and 2B of the ExpressRail Port Newark and the ExpressRail Corbin Street Intermodal Rail Support Facilities, at a total estimated project cost of \$66 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses and a project contingency (if necessary), 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: (1) take action with respect to other purchase and construction contracts and contracts for professional and advisory services and such other contracts and agreements as may be necessary or appropriate to effectuate the foregoing project, including agreements with utility companies for utility line relocation and protection work, subject to advising the Commissioners of individual contracts or agreements to be acted upon pursuant to this authorization prior to taking or authorizing such action; and (2) obtain necessary approvals and permits, enter into right-of-entry agreements, including a right-of-entry agreement with Conrail, to grant and receive associated temporary easements as necessary to effectuate the project; and it is further .

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

**NEWARK LIBERTY INTERNATIONAL AIRPORT – AIRTRAIN NEWARK –
REHABILITATION OF VEHICLE BODIES AND SUBSYSTEMS –
SUPPLEMENTAL AGREEMENT WITH BOMBARDIER
TRANSPORTATION (HOLDINGS) USA, INC. – CONTRACT EWR 305.502**

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement with Bombardier Transportation (Holdings) USA, Inc. (Bombardier), in an estimated amount of \$12 million, plus an allowance of six percent for extra work, for the mid-life rehabilitation of the AirTrain Newark vehicle bodies and subsystems.

The operations and maintenance contract for the AirTrain Newark system requires Bombardier to undertake mid-life rehabilitations of various system components at specified intervals based on their contractually stated design lives, at an additional cost to the Port Authority.

The AirTrain Newark system started service in 1996. In September 2002, the Board authorized the first of the mid-life rehabilitations (Supplement No. 1 to the contract with Bombardier), in the amount of \$15.6 million, consisting of the AirTrain vehicle subsystems, which have a design life of ten years.

In February 2005, the Board authorized the second mid-life rehabilitation (Supplement No. 2), in the amount of \$12.6 million, encompassing the AirTrain control and communications equipment and power and signal rails, which have a design life of fifteen years.

The mid-life rehabilitation of the vehicle bodies under this supplemental agreement would consist of inspection, repair, replacement and/or overhaul of vehicle components, such as the emergency call and fire detection systems, train seats and flooring, winches, heating, ventilation and air conditioning covers, hood shocks, utility conveyor rollers, end car glass door hinges and the overhead crane. The six Northeast Corridor (NEC) extension trains that began operating in October 2001 are due for their mid-life rehabilitation in 2011. However, to ensure availability of parts, this proposed authorization of vehicle body mid-life rehabilitation includes the costs of procuring parts and labor for all 18 trains. Placing a larger quantity order also reduces the overall cost for parts. With the exception of the emergency call and fire detection systems, which would be replaced together with the rehabilitation of the original trains, all parts for the six extension trains would be stored until such time as they are due for their mid-life servicing.

Because the NEC extension opened in 2001, the mid-life rehabilitation on the subsystems of the six extension trains is due to commence this year. The vehicle subsystem mid-life rehabilitation would consist of inspection, repair, replacement and/or overhaul of the following elements: bogies, propulsion and auxiliary electrical, train and station doors, heating ventilation/air conditioning, draft gears and carshell.

The remaining mid-life rehabilitation cited in the Bombardier operation and maintenance contract is the guideway running surfaces and guidance equipment, with a design life of 30 years. This mid-life servicing is due to commence in October 2016.

Pursuant to the foregoing report, the following resolution was adopted with Commissionrs Blakeman, Chasanoff, Coscia, Mack, Pocino, Sartor and Steiner voting in favor; none against; Commissioner Genova recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a supplemental agreement with Bombardier Transportation (Holdings) USA, Inc., in the estimated amount of \$12 million, plus an allowance of six percent for extra work, for the mid-life rehabilitation of the AirTrain Newark vehicle bodies and subsystems; and it is further

RESOLVED, that the form of the supplemental agreement shall be subject to the approval of General Counsel or his authorized representative.

**AUTHORIZATION TO PROVIDE FUNDING FOR THE URBAN ESTUARY CENTER
WITHIN THE BOUNDARIES OF THE HUDSON RIVER PARK IN LOWER
MANHATTAN**

It was recommended that the Board authorize the Executive Director to enter into one or more agreements with the Hudson River Park Trust (HRPT) and/or another appropriate entity, pursuant to which the Port Authority would provide funding in the amount of \$10 million toward the overall cost of developing the new Urban Estuary Center (UEC), to be constructed on Pier 26 within the boundaries of the Hudson River Park in Manhattan, which is owned by the HRPT. In consideration of this funding, the HRPT and/or another appropriate entity would provide the Port Authority with an appropriate property interest.

The UEC will be a marine research field station operated under the auspices of prominent local research institutions. The facility will include laboratories, classrooms and a pier structure that will provide docking capacity for research vessels. The goals of the UEC will be to: (1) study the means by which the ecosystems of the Hudson River estuary can be preserved in light of the heavy usage of the river by the dense population of the Port District region; and (2) conduct educational programs designed to increase public awareness of the importance of preserving the ecology of the Hudson River estuary.

Pursuant to the foregoing report, the following resolution was adopted adopted with Commissioners Blakeman, Chasanoff, Coscia, Genova, Mack, Pocino, Sartor and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into one or more agreements with the Hudson River Park Trust and/or another appropriate entity, pursuant to which the Port Authority will provide up to \$10 million toward the development of the new Urban Estuary Center in Manhattan, and the Hudson River Park Trust and/or another appropriate entity will provide the Port Authority with an appropriate property interest; and it is further

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

PRE-DEVELOPMENT SITE ACQUISITION PROGRAM - AUTHORIZATION OF REAL PROPERTY ACQUISITION IN NEW YORK CITY IN CONNECTION WITH THE TRANS-HUDSON EXPRESS (THE) TUNNEL PROJECT

It was recommended that the Board authorize the Executive Director to take action in connection with the identification of real property in New York City that will be necessary to effectuate the development of the Trans-Hudson Express (THE) Tunnel project, formerly known as Access to the Region's Core (ARC), through the Port Authority's Pre-development Site Acquisition Program (the Program). Acquisition of such property would be subject to approval by the Committee on Operations.

In October 1984, the Board established the Program, as a facility of the Port Authority, to provide a centralized program of up to \$75 million at any one time through which the Port Authority may acquire real property in connection with the development of additional Port Authority facilities prior to the formal certification of these new facilities, subject to further approval prior to the purchase of any specific real property.

In July 2006, the Board authorized a project of at least \$1 billion to implement THE Tunnel to facilitate efficient mass transportation and ease congestion on the Port Authority's transportation infrastructure and in the New York/New Jersey region, subject to: (1) an increase providing for a total authorization of up to \$2 billion as THE Tunnel project's financing plan evolves during the approval process; (2) further Board approval for implementation of THE Tunnel project; and (3) certification of THE Tunnel project as an additional facility of the Port Authority pursuant to bond covenants, with respect to implementation of THE Tunnel project other than for preliminary planning and engineering costs in connection therewith. At that time, the Board also authorized initial expenditures of up to \$10 million by the Port Authority in connection with Port Authority preliminary planning and engineering activities in connection with THE Tunnel project, as well as reimbursement of certain New Jersey Transit Corporation (NJT) costs for its preliminary planning and engineering activities in connection with THE Tunnel project. NJT is serving as the lead agency for this project, as designated by the Federal Transit Administration, for the purposes of the ongoing draft environmental impact statement and federal funding application processes.

Pursuant to this authorization, as part of the initial planning efforts in connection with THE Tunnel project, the Port Authority and NJT would determine the locations and costs of certain properties in New York City that will be required to facilitate the construction of THE Tunnel project. The acquisition of such property would be effectuated through the Program. Early identification and acquisition of properties is appropriate, because such acquisitions often require long lead time and the ability to begin the pursuit of property acquisitions, and along with other ongoing efforts in connection with the development of THE Tunnel project, would facilitate the timely implementation of THE Tunnel project.

The cost of any real property acquired through the Program, together with the \$10 million previously authorized by the Board for preliminary planning and engineering activities, will be allocated against the Port Authority's current \$1 billion commitment toward THE Tunnel project.

Pursuant to the foregoing report, the following resolution was adopted adopted with Commissioners Blakeman, Chasanoff, Coscia, Genova, Mack, Pocino, Sartor and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action in connection with the identification of real property in New York City that will be necessary to effectuate the development of the Trans-Hudson Express (THE) Tunnel project, formerly known as Access to the Region's Core (ARC), through the Port Authority's Pre-development Site Acquisition Program, substantially in accordance with the terms and conditions outlined to the Board and to incur all costs and expenses and execute all documents, including, without limitation, conveyances relating to transfer of property interests to the Port Authority, and agreements with public and private entities which, among other matters, may involve utility relocation, environmental studies and investigations, appraisals, surveys, title searches and title insurance necessary and incidental to such identification and acquisition; and it is further

RESOLVED, that the Committee on Operations be and it hereby is authorized to approve the final terms of the purchase of real property required in connection with the development of THE Tunnel project; and it is further

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

QUEENS WEST WATERFRONT DEVELOPMENT – DECLARATION OF SURPLUS PROPERTY AND TRANSFER OF TITLE TO STAGES III AND IV

It was recommended that the Board authorize: (1) the declaration of approximately 24 acres of land located in Stages III and portions of Stage IV (the Port Authority-Owned Property) of the Queens West Waterfront Development Project (the Project), in the Hunter's Point section of the Borough of Queens, City and State of New York, as surplus property; (2) the Executive Director to negotiate with the City of New York (the City) to enter into a contract of sale and negotiate and enter into, with the appropriate parties, any other agreements and instruments necessary in connection with the transfer of title to the Port Authority-Owned Property to the City or a local development corporation designated by the City; and (3) the Port Authority to fund the remaining infrastructure, condemnation and related costs associated with Stages I and II of the Project, in an estimated amount of \$30 million.

The Port Authority has owned the Port Authority-Owned Property, which is currently unimproved, continuously for approximately 21 years. The Port Authority-Owned Property, which constitutes all of the property owned by the Port Authority within the Project area, is generally bounded by 50th Avenue to the North, Newtown Creek to the South, the East River to the West and 2nd Street to the East. The Stage III property consists of approximately 17.2 acres, and the Port Authority-owned portion of the Stage IV property encompasses approximately 6.68 acres.

The proposed transaction with the City of New York includes the following provisions:

1. payment to the Port Authority of \$100,000,000 upon the transfer of the Port Authority-Owned Property, plus reimbursement for Project costs incurred by the Port Authority with respect to Stages III and IV of the Project between October 19, 2006 and the closing of the transaction;
2. an agreement by the City to fund the entire amount of the remaining unpaid balance of the Port Authority's commitment to fund \$190 million in infrastructure, condemnation and land acquisition costs, but only to the extent associated with Stages III and IV of the Project. To date, the Port Authority has expended approximately \$144 million; and
3. the Port Authority will continue to participate in revenues received by the City with respect to the Port Authority-Owned Property until such time as the Port Authority's cumulative investment is recovered. The Port Authority also will continue to receive revenues from lease payments from Stage I.

Authorizing the proposed transaction at this time would provide the Port Authority an opportunity to receive revenue for surplus property. In addition, the Port Authority no longer would be obligated to fund the balance of the \$190 million originally authorized for the Project.

Pursuant to the foregoing report, the following resolution was adopted adopted with Commissioners Blakeman, Chasanoff, Coscia, Genova, Mack, Pocino, Sartor and Steiner voting in favor; none against:

RESOLVED, that the Board hereby finds and determines that the real property constituting all of the property owned by the Port Authority (the Port Authority-Owned Property) in the Queens West Waterfront Development Project (the Project) is no longer required for the purpose for which it was acquired; and it is further

RESOLVED, that the Chief Engineer of the Port Authority be and he hereby is authorized and directed, for and on behalf of the Port Authority, to execute a certificate to be annexed to the appropriate Port Authority Map, stating that the real property shown on said map, constituting the Port Authority-Owned Property, is no longer required for the purposes for which it was acquired, such map to be filed in the Office of the Secretary of the Port Authority; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to negotiate with the City of New York (the City) to enter into a contract of sale and to negotiate and enter into, with the appropriate parties, any other agreements and instruments necessary in connection with the transfer of title to the Port Authority-Owned Property, directly or indirectly, to the City or a local development corporation designated by the City; and it is further

RESOLVED, that the Committee on Operations be and it hereby is authorized, for and on behalf of the Port Authority, to approve the final terms of any of the foregoing agreements in the event that they are not substantially in accordance with those 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 one or more agreements with the Queens West Development Corporation and/or another appropriate entity, pursuant to which the Port Authority will provide up to \$30 million toward current and future estimated infrastructure, condemnation and related costs associated with Stages I and II of the Project; and it is further

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

CONFIDENTIAL ITEM

This item shall not be available for public inspection.

TRIBUTE TO KAYLA M. BERGERON

The Board of Commissioners, upon the departure of Kayla M. Bergeron, unanimously adopted the following resolution.

WHEREAS, from the time she joined The Port Authority of New York and New Jersey in April 1999 as Director of Media Relations to her appointment as Chief of Public and Government Affairs in 2005, Kayla Bergeron has served with great distinction in leading the Port Authority's Media Relations and Public and Government Affairs functions; and

WHEREAS, Kayla has been a strong advocate and influential voice across the region, garnering public support for the Port Authority's key initiatives, most notably, her expert handling of the continuous media coverage surrounding issues related to the reconstruction of the World Trade Center site, and the revitalization of the regional airport system; and

WHEREAS, Kayla Bergeron has provided insightful guidance and advice on the agency's change management initiatives and response to press inquiries, and has also brought together the agency's media relations, communications and marketing functions to provide greater efficiency, while providing a unified voice and recognizable brand to the agency's facilities and functions; and

WHEREAS, Kayla has worked tirelessly to ensure that information is shared with staff, the public and elected officials during times of crisis, which was especially evident during her unprecedented work overseeing the non-stop media coverage following the events of September 11, 2001, and the 1999 crash of an Egypt Air jetliner; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement, Kayla Bergeron was awarded the James G. Hellmuth Unit Citation for her role in the preparation, review and release of the transcripts of recorded communications produced following the September 11th attacks, and was also awarded an Exceptional Service Team Award for her contributions as a member of the September 11th Crisis Team.

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Kayla M. Bergeron their sincere appreciation for her service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Kayla M. Bergeron as a token of the high esteem in which she is held by the Board and staff alike.

TRIBUTE TO GREGORY G. BURNHAM

The Board of Commissioners, upon the retirement of Gregory G. Burnham, unanimously adopted the following resolution.

WHEREAS, from the time he joined the Port Authority in November 1998 as Director of Technology Services, and since his appointment as Chief Technology Officer in 1999, Gregory G. Burnham has served with great distinction in leading and shaping the information technology strategy of The Port Authority of New York and New Jersey; and

WHEREAS, Greg has been an innovator and a strong leader in bringing technology solutions to complex business issue, and has led the agency in the cost effective application of technology in support of the Port Authority’s mission and business objectives; and

WHEREAS, Greg has been instrumental in the management and development of major technology initiatives for the Port Authority and the region it serves, including the introduction of the PATH SmartLink Program and E-ZPASSSM PLUS technologies; Y2K compliance efforts prior to the start of the new millennium; and restoration of technology to the agency following the events of September 11, 2001; and

WHEREAS, Greg Burnham has been instrumental in shaping the Port Authority’s strategic plan by highlighting critical challenges, questioning traditional approaches and offering novel solutions; and

WHEREAS, in keeping with the agency’s continuing tradition of excellence and achievement, Greg Burnham was awarded the James G. Hellmuth Unit Citation for his role in the restoration of the PATH service to Exchange Place and Lower Manhattan following the events of September 11, 2001, and was named one of eight “Chiefs of the Year” in 2001 by *Information Week* for his leadership following the attacks.

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Gregory G. Burnham their sincere appreciation for his service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Gregory G. Burnham as a token of the high esteem in which he is held by the Board and staff alike.

Whereupon, the meeting was adjourned.

Secretary