

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES
Thursday, May 28, 2015**

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, May 28, 2015 at 150 Greenwich Street, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. John J. Degnan, Chairman
 Hon. Richard H. Bagger
 Hon. George R. Laufenberg
 Hon. Raymond M. Pocino
 Hon. William P. Schuber
 Hon. David S. Steiner

Patrick J. Foye, Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Thomas E. Belfiore, Chief Security Officer
 John Bilich, First Deputy Chief Security Officer
 Thomas L. Bosco, Director, Aviation
 Steven J. Coleman, Acting Director, Media Relations
 Nicole Crifo, Senior Advisor to the Chairman
 Stephanie E. Dawson, Acting Chief Operating Officer
 Erica Dumas, Senior Public Information Officer, Media Relations
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Sean M. Fitzpatrick, Chief of Staff to the Chairman
 Michael B. Francois, Chief, Real Estate and Development
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 David P. Garten, Chief of Staff to the Vice Chairman
 Lash L. Green, Director, Office of Business Diversity and Civil Rights
 Jacqueline Grossgold, Business Development Executive, Office of Business Diversity and Civil Rights
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Chief, Human Capital
 Brian Jacob, Principal Board Management and Support Specialist, Office of the Secretary
 Howard G. Kadin, Esq., Law
 David Kagan, Assistant Director, Business and Commercial Development, Aviation
 James R. Kleeman, Deputy Director, World Trade Center Redevelopment
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Richard M. Larrabee, Director, Port Commerce
 William Laventhal, Executive Policy Analyst, Office of the Executive Director
 Huntley Lawrence, Deputy Director, Aviation
 Diana Lopez, Senior Advisor, LaGuardia Redevelopment Program, Aviation
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Esq., Law
 Ronald Marsico, Assistant Director, Media Relations
 Angel Martinez, Assistant Director, LaGuardia Airport Redevelopment, Aviation
 Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management
 Daniel G. McCarron, Comptroller

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. Kenneth Lipper
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. Rossana Rosado

Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 David J. McGrath, Manager of Marketing and Communications
 Carlene V. McIntyre, Assistant General Counsel
 Steven A. Pasichow, Director, Office of Investigation, Office of Inspector General
 Ida Perich, General Manager, Office of Business Diversity and Civil Rights
 Timothy Pullen, Principal Contract Specialist, Procurement
 Lysa Scully, General Manager, LaGuardia Airport, Aviation
 Laurie Spencer, Manager of Professional, Technical and Advisory Services, Procurement
 K. Ocean Stokes, Associate Board Management and Support Specialist, Office of the Secretary
 Ralph Tragale, Assistant Director, Public Affairs, Aviation
 Lillian D. Valenti, Chief Procurement and Contracting Officer
 Sheree R. Van Duynes, Manager, Policies and Protocol, Office of the Secretary
 Ian R. Van Praagh, Acting Director, Government and Community Affairs, New York
 Cheryl A. Yetka, Treasurer
 William Young, Senior External Relations Client Manager, Government and Community Affairs
 Peter J. Zipf, Chief Engineer

Guests:

John Spinello, Director, Authorities Unit, Office of the Governor of New Jersey
 Michael Wojnar, Special Assistant for Intergovernmental Affairs, Office of the Governor of New York

Speakers:

DaQuan Allen, Local 32BJ
 Richard Anderson, New York Building Congress
 Desai Bhairavi, NY Taxi Workers Alliance
 Murray Bodin, Member of the Public
 Rev. Malachia Brantley, Shiloh Baptist Church, Newark
 Michael Carey, Local 32BJ
 Gertrudes Contreas, Local 32BJ
 Margaret Donovan, Twin Tower Alliance
 Hon. Robert M. Gordon, Majority Conference Leader, New Jersey Senate
 Richard Hughes, Twin Towers Alliance
 Papu Kandu, Local 32BJ
 Eduardo Lopez, Unite Here
 William Mansfield, New York Cycle Club
 Isabel Marte, Local 32BJ
 Luis Sanchez, Local 32BJ
 Kalev Savi, Worldport Tribute Initiative
 Neile Weissman, New York Cycle Club

The public meeting was called to order by Chairman Degnan at 1:17 p.m. and ended at 2:38 p.m. The Board also met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of April 30, 2015. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on May 1, 2015. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on May 15, 2015.

Whereupon, the Board unanimously approved the Minutes of the meeting of April 30, 2015.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on May 6, 2015, which included discussion of matters involving external or internal investigations or audits, matters involving personnel and personnel procedures, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

The Audit Committee also reported, for information, on matters discussed and action taken in public session at its meeting on May 28, 2015, which included discussion of the retention of independent auditors for the year ending December 31, 2015, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on May 6, 2015, which included discussion of matters related to the purchase, sale, or lease of real property, where disclosure would affect the value thereof or the public interest, matters in which the release of information could impair a right to receive funds from the United States or other grantor, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in public session at its meeting on May 28, 2015, which included discussion of a project to implement certain taxiway improvements at Teterboro Airport, and a review of the Port Authority's Minority, Women-Owned and Small Business Enterprise participation results for 2014, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on May 28, 2015, which included discussion of an item to approve the Port Authority's Title VI/Nondiscrimination Program and authorize the submission of the Program report to the Federal Transit Administration, and discussion of staff overtime results for the first quarter of 2015, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public session at its meeting on May 28, 2015, which included discussion of a contract in connection with the continued development and operation of the World Trade Center site and an update on recently completed projects and a progress report on ongoing construction at the World Trade Center site, and the report was received.

LAGUARDIA AIRPORT REDEVELOPMENT PROGRAM – AUTHORIZATION TO ENTER INTO EXCLUSIVE NEGOTIATIONS WITH PREFERRED PROPOSER AND INSTRUCTIONS WITH RESPECT TO LIMITED CHANGE ORDER

In January 2015, Governor Andrew Cuomo created an Airport Master Plan Advisory Panel (the “Advisory Panel”) to advise the Governor and the Port Authority on the modernization of LaGuardia Airport (the “Airport”) and John F. Kennedy International Airport. The Advisory Panel concluded, and, subject to future Board approvals consistent with the Port Authority’s capital planning process, the Board concurs, that after years of underinvestment and sporadic and fragmented redevelopment, the Airport and the millions of passengers it serves annually deserve a holistic master plan that takes a comprehensive development approach to the entire Airport in positioning it to meet the needs of the 21st Century. In April 2015, the Board received a series of preliminary recommendations from the Advisory Panel related to the Airport, and the actions being taken today incorporate a number of elements of those preliminary recommendations, and represent the first phase of a holistic Master Plan for LaGuardia Airport.

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

The LGA Redevelopment Program

To remedy the functional inefficiencies of the CTB and related facilities, in 2004, the Port Authority embarked on a major modernization/redevelopment program at the Airport (the “LGA Redevelopment Program”). The LGA Redevelopment Program consists of two separate, but related elements - the CTB replacement project, which includes the design, finance, construction, maintenance and operations of a new CTB and related facilities, to be performed by a private consortium (or its designee) under a public-private partnership with the Port Authority (the “CTB Replacement Project”); and a capital infrastructure program, which includes the design, construction, and operation and maintenance of certain supporting facilities at the Airport, to be performed by the Port Authority or its contractors.

The CTB Replacement Project

The CTB Replacement Project, which is subject to future Board approval, consistent with the Port Authority's capital planning process, provides for the design, construction, operation and maintenance of:

- (i) a new CTB, including contiguous aircraft ramp and apron areas, new contiguous frontage roads and supporting buildings and site utilities (the "New CTB Facilities");
- (ii) a pedestrian walkway connection between the New CTB Facilities and the new West Garage;
- (iii) a new central heating and refrigeration plant;
- (iv) a consolidated receiving and warehouse distribution ("CRWD") facility; and
- (v) a new hydrant aircraft fueling infrastructure located within the contiguous aircraft ramp areas included in the New CTB Facilities.

The Port Authority issued the initial Request for Proposals (the "RFP") for the CTB Replacement Project on August 28, 2013, and, after considering comments from various potential participants with respect to this initial RFP, the final RFP was released on April 24, 2014. Proposals from three proposers were received on May 20, 2014. The Port Authority reviewed and evaluated the proposals over an approximately five-month period. Based on such review, in October 2014 staff formulated a recommendation with respect to the selection of a preferred proposer, based on a best-value determination. That recommendation is before the Board at today's meeting.

As previously discussed with the Board, the RFP provided for the Port Authority to pay to each proposer submitting a fully compliant proposal, that was not selected as the preferred proposer, a design and bid fee in the amount of \$2 million. Additionally, the RFP provided for the Port Authority to pay to the preferred proposer a design and bid fee in the amount of \$3 million, in the event that the Port Authority revokes the preferred proposer's status or cancels the procurement through no fault of the preferred proposer, or if the preferred proposer withdraws its proposal due to a severe market disruption event, material casualty loss or adverse court ruling or law.

The Limited Change Order

As mentioned above, the Advisory Panel has made certain preliminary recommendations for future consideration regarding potential future improvements at the Airport. These preliminary recommendations, which are expected to be issued in final form by the Advisory Panel within the next 60 days, include the development and construction of a non-exclusive, central arrivals/departure portal with an architecturally consistent façade, to be located between the New CTB Facilities and Terminal C at the Airport, that may accommodate the future development of one or more of the following new elements: a people mover, an AirTrain station,

conference and meeting room capacity, retail and food and beverage space and a hotel (“LGA Portal”).

It was also recommended that, as part of the CTB Replacement Project, the Board authorize the negotiation with the preferred proposer of a limited change order to provide for: (a) the New CTB Facilities to include the development of the LGA Portal, to be constructed coincident with construction of the New CTB Facilities, and (b) design changes to not preclude future consideration of the incremental elements set forth above, with the design-and-build cost of the limited change order capped at an amount not to exceed 10 percent of the cost of the New CTB Facilities, but in no event in excess of \$400 million. The terms of the limited change order would be negotiated with the preferred proposer and, if agreed by the Port Authority, incorporated into the CTB Replacement Project.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Degnan, Laufenberg, Lipper, Lynford, Pocino, Rechler and Rosado voting in favor; Commissioners Moerdler, Schuber and Steiner recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that: (i) LaGuardia Gateway Partners (the “Preferred Proposer”) hereby is selected as the Preferred Proposer in connection with the CTB Replacement Project (as defined in the foregoing report); (ii) the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an exclusive negotiating period with the Preferred Proposer, consistent with the terms and conditions outlined to the Board, to agree to the terms of a final proposal for the CTB Replacement Project with the Preferred Proposer, which final proposal is subject to Board approval, consistent with the Port Authority’s capital planning process; and (iii) the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, during the exclusive negotiating period, to negotiate a limited change order with the Preferred Proposer to provide for (a) the New CTB Facilities (as defined in the foregoing report) to include the development of the LGA Portal (as defined in the foregoing report), to be constructed coincident with construction of the New CTB Facilities, and (b) design changes to not preclude future consideration of the incremental elements set forth in the foregoing report, with the design-and-build cost of the limited change order capped at an amount not to exceed 10 percent of the cost of the New CTB Facilities, but in no event in excess of \$400 million, subject to Board approval, consistent with the Port Authority’s capital planning process; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to pay the design and bid fees provided for in the RFP for the CTB Replacement Project.

2015 PORT AUTHORITY TITLE VI PROGRAM - TRIENNIAL REPORT TO THE FEDERAL TRANSIT ADMINISTRATION

It was recommended that the Board approve the Port Authority's 2015 Title VI/Nondiscrimination Program (Title VI Program) pertaining to compliance with Title VI of the federal Civil Rights Act of 1964, and, in connection therewith, approve the following public transportation standards, policies, and monitoring requirements: (1) Port Authority Trans-Hudson Corporation's (PATH) system-wide standards and policies; (2) PATH's Major Service Change Policy and Disproportionate Burden / Disparate Treatment Policies; (3) PATH's transit service monitoring program and results; and (4) the Port Authority's Ferry Transportation service system-wide standards and policies. It was recommended, further, that the Board authorize the Executive Director to approve, on behalf of the Port Authority, the Title VI Program and the Port Authority's and PATH's standards, policies, and transit service monitoring program and results in connection therewith, in the future, as required by the Federal Transit Administration (FTA). Future Title VI Programs will be filed with the Board at the time of their submission to the FTA.

A companion item is being submitted to PATH's Board of Directors at its meeting today requesting approval of the Title VI Program on behalf of PATH.

The FTA requires that "Transit Providers," as defined by the FTA, approve a 2015 Title VI Program, and related requirements, prior to submission of such program to the FTA for approval.

Compliance with federal grant requirements, including Title VI nondiscrimination requirements, is a prerequisite to eligibility for federal aid. Therefore, the FTA's approval of the 2015 Title VI Program will enable the Port Authority to apply for and receive federal aid to help fund public transportation projects that benefit the region.

Since October 2001, the FTA has awarded over \$3 billion in financial assistance to the Port Authority and PATH for projects related to public transportation. U.S. Department of Transportation (USDOT) nondiscrimination regulations, entitled *Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964* (49 CFR Part 21), require, among other things, that recipients of federal assistance document their compliance with the regulations by submitting a Title VI Program to the FTA once every three years, or as otherwise directed by the FTA.

Accordingly, in September 2012, the Port Authority submitted its 2012 Title VI Program, inclusive of requirements related to PATH, in accordance with then applicable FTA guidance set forth in FTA Circular 4702.1A. The 2012 Title VI Program, which the FTA approved on November 19, 2012, expires on November 30, 2015. The 2015 Title VI Program must be submitted by October 1, 2015, 60 days prior to the expiration of the 2012 Title VI Program.

In October 2012, the FTA issued FTA Circular 4702.1B, entitled *Title VI Requirements and Guidelines for Federal Transit Administration Recipients*, which supersedes FTA Circular 4702.1A. Although each USDOT Operating Administration has unique Title VI compliance and reporting requirements, the FTA's revised Circular includes for the first time a mandate that the governing board or an official responsible for policy decisions approve the recipient's Title VI Program and its related public transportation standards, policies and monitoring requirements and results prior to submission to the FTA.

Under the FTA’s new Circular, “Transit Providers” are classified within the following two categories:

- Transit Providers with 50 or more fixed-route vehicles operating in peak service in an urbanized zone area (UZA) with a population of 200,000 or more; and
- Transit Providers that operate a public transportation system consisting of fewer than 50 vehicles.

PATH, as a Transit Provider operating a commuter rail service with 50 or more vehicles in an UZA with a population of 200,000 or more, must report its compliance with the following requirements in connection with the Title VI Program every three years:

1. set system-wide service standards and policies;
2. collect and report demographic data (demographic and service profile maps and charts, and survey data regarding customer demographics and travel patterns);
3. evaluate service and fare changes; and
4. establish a Transit Service Monitoring Program to compare the level of service provided to predominantly minority areas with the level of service provided to predominantly non-minority areas, to ensure that the end result of policies and decision-making is equitable.

The Port Authority’s Passenger Ferry Service, operated by a private entity on behalf of the Port Authority, consists of five boats providing public transportation between Hoboken and Lower Manhattan. Consequently, the Port Authority is only required to set system-wide standards and policies with respect to that service.

The Port Authority and PATH currently comply with the above requirements and will continue to comply with the requirements set forth in applicable FTA Circulars over each respective three-year reporting period.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Degnan, Laufenberg, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Port Authority’s 2015 Title VI/Nondiscrimination Program, including the Port Authority’s and Port Authority Trans-Hudson Corporation’s (PATH’s) related public transportation standards, policies and monitoring requirements, be and it hereby is approved, for and on behalf 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 approve the Title VI/Nondiscrimination Program, including related public transportation standards, policies and monitoring requirements and results for the Port Authority and PATH, in the future, as required by the Federal Transportation Administration; and it is further

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

TETERBORO AIRPORT – REMOVAL OF TAXIWAY B AND INSTALLATION OF A NEW TAXIWAY V – PROJECT AUTHORIZATION AND AWARD OF CONTRACT TEB-144.046

It was recommended that the Board authorize: (1) a project at Teterboro Airport (TEB) to enhance the safety of the aeronautical operations through the removal of Taxiway B and installation of a new Taxiway V, at an estimated total project cost of \$9.5 million; and (2) the Executive Director to award Contract TEB-144.046 to perform the construction work in connection with the project to the lowest qualified bidder, at an estimated construction cost of \$3.9 million, inclusive of extra work and net cost work.

Taxiway B, which has been operational since 1949, is configured with approximately 16 feet separating the Runway Safety Areas (RSAs) for Runway 1-19 and Runway 6-24. As a result, while on Taxiway B, an aircraft or vehicle cannot clear the RSA of one of those runways without entering the RSA of the other runway. The Federal Aviation Administration (FAA) has deemed the current configuration of Taxiway B to be a safety issue that should be addressed by the Port Authority in order to mitigate the potential for RSA incursions.

The scope of work for the proposed project includes the removal of Taxiway B and the replacement of its functionality with a new Taxiway V (which would address the issue raised by the FAA concerning the potential for RSA incursions) and all associated infrastructure, including the construction of new pavement, the installation of aeronautical lighting and signs, and the installation of associated electrical conduit and wiring.

A portion of the project would require work to be performed in the RSAs of both runways simultaneously, resulting in the airport being closed to aircraft during certain weekend hours, which would be coordinated with the fixed base operators and other business interests at TEB.

Bids would be solicited from a list of pre-qualified aeronautical paving contractors developed from a publicly advertised Request for Qualifications, with award to the lowest qualified bidder.

An application would be submitted to the FAA to recover eligible costs associated with the project through federal Airport Improvement Program grant funding.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Degnan, Laufenberg, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project at Teterboro Airport (TEB) to enhance the safety of the aeronautical operations through the removal of Taxiway B and the installation of a new Taxiway V, at an estimated total project cost of \$9.5 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 Contract TEB-144.046 to perform the construction work in connection with the foregoing project to the lowest qualified bidder, at an estimated construction cost of \$3.9 million, inclusive of extra work and net cost work; 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, including, without limitation, agreements in connection with wetland mitigation, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

**WORLD TRADE CENTER WEST BATHTUB VEHICULAR ACCESS PROJECT –
AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR
ELECTRICAL SYSTEMS**

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation (Tishman), with Five Star Electric Corp. to furnish and install all electrical systems for the World Trade Center West Bathtub Vehicular Access (WTC WBVA) Project, at an estimated cost of \$41,700,000, inclusive of net cost work and an eight-percent allowance for extra work; and (2) increase the compensation under the existing agreement with Tishman to provide construction management services in support of the WTC WBVA Project, and extend the duration of the agreement through December 2018, consistent with the terms outlined to the Board.

At its meeting of July 23, 2014, the Board authorized a project for the design and construction of the WTC WBVA and related infrastructure, at a total estimated project cost of \$412 million. The WTC WBVA Project, located within Parcel 1B of the WTC site, is composed of a vehicular roadway helix and associated infrastructure, and will provide subgrade access to the WTC site for authorized passenger cars, vans and emergency vehicles. It is the last component of the Vehicle Roadway Network at the WTC site. The WTC WBVA will include a below-grade common West Ramp to connect the East Bathtub service roadway with the permanent loading docks for One World Trade Center (One WTC), the Performing Arts Center (PAC) and the WTC retail development.

The scope of work under the proposed construction trade contract includes the furnishing and installation of all electrical systems, including primary and secondary power distribution systems, emergency power, related specialty subsystems, a radio system, and temporary electrical services.

Timely award of the proposed contract is essential to ensuring that commitments to adjacent WTC stakeholders are met, such as those necessary to meet the lease commitments to Condé Nast, including construction of a loading dock ramp connected to the basement level of One WTC, to be operational by December 2016.

The advancement of the contract would not include any funding for the construction of the future PAC building above the WBVA, nor would it express any intent or commitment on the part of the Port Authority to participate in the PAC's construction or operations.

At its meeting of October 22, 2009, the Board authorized an agreement with Tishman to perform construction management services to support the implementation of the WTC WBVA Project and several other related projects at the WTC site for a four-year term, including two one-year extension options, at a total estimated amount of \$47.3 million. The existing contract expires in October 2015 and, under this authorization, would be extended through December 2018.

It is necessary to increase the amount authorized under the existing agreement with Tishman for construction management services to support the WTC WBVA Project, consistent with the terms outlined to the Board. The PAC will be located east of One WTC, above the WTC WBVA in the Parcel 1B quadrant. The footings, foundations and shear walls supporting the PAC are integral to the WTC WBVA foundations. The construction management services are required to accommodate the construction schedule of the WTC WBVA Project.

The Port Authority is pursuing reimbursement for work associated with the development of the WBVA area to grade in a manner that would accommodate the future construction of the PAC. Negotiations regarding such reimbursement are ongoing among the Port Authority, the PAC Foundation and agencies of the State of New York. In connection with the WTC WBVA Project, it is the Port Authority's intent to recover its costs associated with work that is the responsibility of, or that is being performed on behalf of, adjacent WTC site stakeholders.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Degnan, Laufenberg, Lipper, Lynford, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor; Commissioner Moerdler recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement, through construction manager Tishman Construction Corporation, with Five Star Electric Corp. to furnish and install all electrical systems for the World Trade Center West Bathtub Vehicular Access (WTC WBVA) Project, at an estimated total cost of \$41,700,000, inclusive of net cost work and an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase the compensation under the existing agreement with Tishman Construction Corporation to provide construction management services in support of the WTC WBVA Project, and extend the duration of the agreement through December 2018, consistent with the terms outlined to the Board; and it is further

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

SETTLEMENT OF CLAIM – THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY V. DONJON MARINE COMPANY, INC., WEEKS MARINE, INC., DUMOR CONTRACTING, INC., ET AL

It was recommended that the Board authorize General Counsel to finalize the settlement of a property damage claim in the action pending in the Superior Court of the State of New Jersey, Law Division: Union County, entitled, “*The Port Authority of New York and New Jersey v. Donjon Marine Company, Inc., Weeks Marine, Inc., Dumor Contracting, Inc., et al.*,” at a total settlement value of \$6.2 million (consisting of a net payment of \$3 million to the Port Authority and \$3.2 million in maintenance dredging services performed on the Port Authority’s behalf, at no cost to the Port Authority).

Donjon Marine Co., Inc. (Donjon), a processor of dredged material in the New York and New Jersey Harbor, has been a tenant at Port Newark since 1977, and currently occupies approximately 1,924 linear feet of berth space and 75,600 square feet of upland open areas at Berths 5, 7 and 22 at Port Newark for use as a tie-up area for its vessels, and approximately 700 linear feet of berth space and 93,750 square feet of upland open area at Berth 36 at Port Newark for its dredged material processing operation, under two agreements that expire on September 30, 2018. Previously, Donjon’s tenancy also included space at Berths 18 and 20 at Port Newark.

The Port Authority has alleged that, on October 26, 2006, Donjon ignored the established weight limitations for the wharf at Berth 36 and overloaded the area with rock material, which resulted in the partial collapse of the wharf structure at the corner of Berths 36 and 63. Donjon has denied liability and has contended that the damage was caused by Weeks Marine, Inc. (Weeks), a customer of Donjon, which, in turn, had contracted with Dumor Contracting, Inc. (Dumor), to store and remove the material from Berth 36.

At its meeting of October 2, 2008, the Board authorized a settlement agreement with Donjon with respect to the partial berth collapse, which provided that the Port Authority would institute the above-entitled civil action against Donjon to implement the terms of the settlement. Under the terms of that settlement, Donjon agreed to provide maintenance dredging services for Berths 18, 20 and 22 at Port Newark, at no charge to the Port Authority. The value of such dredging work initially was estimated at \$4.4 million, but ultimately proved to be \$3.2 million. Pursuant to that settlement agreement, the parties agreed that Donjon would file third-party claims in the civil action against Weeks and Dumor for damages resulting from the partial berth collapse, and that, upon resolution of such third-party claims, Donjon would receive the value of the dredging work it was to perform pursuant to the settlement (then estimated at \$4.4 million, but, ultimately, \$3.2 million) from any recoveries from Weeks and Dumor first, and the Port Authority would receive any amounts in excess of the value of the dredging work.

The currently proposed settlement of the third-party claims filed against Weeks and Dumar would result in Weeks and Dumor paying a total of \$3.5 million to the Port Authority and Donjon. Donjon would reduce its share of this third-party settlement amount from \$3.2 million to \$500,000, and the Port Authority would receive \$3 million. As such, this settlement of the third-party claims, when combined with the prior settlement with Donjon, would result in a total settlement value to the Port Authority of \$6.2 million with respect to the partial berth collapse (consisting of the net payment of \$3 million to the Port Authority and \$3.2 million in maintenance dredging services performed on the Port Authority’s behalf, at no cost to the Port Authority).

Pursuant to the foregoing report, the following resolution was adopted in executive session, with Commissioners Bagger, Degnan, Laufenberg, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action pending in the Superior Court of the State of New Jersey, Law Division: Union County, entitled, “*The Port Authority of New York and New Jersey v. Donjon Marine Company, Inc., Weeks Marine, Inc., Dumor Contracting, Inc., et al.*,” at a total settlement value of \$6.2 million.

Whereupon, the meeting was adjourned.

Secretary