THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Wednesday, October 22, 2014

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, October 22, 2014 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY	**NEW YORK**
Hon. John J. Degnan, Chairman	Hon. Scott H. Rechler, Vice-Chairman
Hon. George R. Laufenberg	Hon. Kenneth Lipper
Hon. Raymond M. Pocino	Hon. Jeffrey H. Lynford
Hon. William P. Schuber	Hon. Jeffrey A. Moerdler
	Hon. Rossana Rosado

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

Thomas E. Belfiore, First Deputy Chief Security Officer
Thomas L. Bosco, Director, Aviation
Quentin M. Brathwaite, Director, Storm Management and Resilience
Ronald P. Calvosa, Investigation Manager, Office of Investigations
Steven J. Coleman, Acting Director, Media Relations
Nicole Crifo, Chief of Staff to the Deputy Executive Director
Stephanie E. Dawson, Acting Chief Operating Officer
Gerard A. Del Tufo, Assistant Director of Development and Operations, Real Estate and Development
John C. Denise, Audio Visual Supervisor, Marketing
Susanne DesRoches, Assistant Chief of Resilience and Sustainability, Engineering
Joseph P. Dunne, Chief Security Officer
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Sean M. Fitzpatrick, Chief of Staff to the Chairman
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
Robert E. Galvin, Chief Technology Officer
David P. Garten, Chief of Staff to the Vice Chairman
Linda C. Handel, Deputy Secretary
Mary Lee Hannell, Chief, Human Capital
Howard G. Kadin, Esq., Law
Stephen Kingsberry, Director, Rail Transit
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Richard M. Larrabee, Director, Port Commerce
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
Gerard McCarty, Director, Office of Emergency Management
Elizabeth M. McCarthy, Chief Financial Officer
James E. McCoy, Manager, Board Management Support, Office of the Secretary

David J. McGrath, Acting Director, Marketing
Carlene V. McIntyre, Assistant General Counsel
Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary
Brian W. Simon, Director, Government and Community Affairs, New York
Timothy G. Stickelman, Assistant General Counsel
Ralph Tragale, Assistant Director, Public Affairs, Aviation
I. Midori Valdivia, Senior Advisor to the Executive Director
Christopher M. Valens, Senior Public Information Officer, Media Relations
Lillian D. Valenti, Chief Procurement and Contracting Officer
Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Cheryl A. Yetka, Treasurer
Peter J. Zipf, Chief Engineer

Guest:
Amy Herbold, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:
Hon. Ras Baraka, Mayor, City of Newark, New Jersey
Christine Berthet, Chekpeds
Luz Caraballo, Local 32BJ
Janna Chernetz, New Jersey Advocate, Tri-State Transportation Campaign
Margaret Donovan, Twin Towers Alliance
Rabbi Michael Feinberg, Labor-Religion Coalition of New York City
Alberto Grant, Local 32BJ
Richard Hughes, Twin Towers Alliance
Pastor James Osei Kofi, Bethesda Healing Center Church (Brooklyn, New York)
Amador Rivas, Make the Road New York
Skipp Roseboro, NY Communities for Change
Alex Walters, Unite Here
Neile Weissman, New York Cycle Club

The public meeting was called to order by Chairman Degnan at 12:00 p.m. and ended at 1:36 p.m. The Board met in executive session prior to, and after, the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of September 17, 2014. 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 September 18, 2014. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on October 2, 2014.

Whereupon, the Board unanimously approved the Minutes of the meeting of September 17, 2014.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on September 24, 2014, which included discussion of matters involving external or internal investigations or audits, and the report was received.

Report of Joint Meeting of Committees on Finance and Operations

The Committees on Finance and Operations reported, for information, on matters discussed in executive session at their joint meeting on October 21, 2014, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Security

The Committee on Security reported, for information, on matters discussed in executive and public sessions at its meeting on October 22, 2014, which included discussion of matters involving public safety or law enforcement, and discussion of the implementation of Phase II of the World Trade Center Site-wide Integration of Life Safety, Emergency Response and Operations Systems project, and discussion of regional public health coordination efforts, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in public and executive sessions at its meeting on September 24, 2014, which included a review of quarterly financial results, and discussion of matters related to the purchase, sale, or lease of real property, where disclosure would affect the value thereof or the public interest, and the report was received.

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on October 22, 2014, which included discussion of matters in which the release of information could impair a right to receive funds from the United States or other grantor, and discussion of, and action upon, matters involving ongoing negotiations or reviews of contracts or proposals, 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 October 22, 2014, which included discussion of Port Authority Trans-Hudson (PATH) rail system operational issues experienced over the last month and its response protocols and community and commuter outreach plans that are in place to advise on interruptions to PATH rail service, 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 executive and public sessions at its meeting on October 22, 2014, 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 involving ongoing negotiations or reviews of contracts or proposals, and discussion of certain contracts and agreements in connection with the continued development and operation of the World Trade Center site, 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 October 22, 2014, which included discussion of a project for the rehabilitation of portions of the exterior of the air traffic control tower at John F. Kennedy International Airport, and replacement of certain equipment that is affixed to the control tower structure, and the report was received.

ACCESS TO PORT AUTHORITY RECORDS – ENHANCED TRANSPARENCY AND EFFICIENCY – REVISED PORT AUTHORITY FREEDOM OF INFORMATION POLICY

On September 17, 2014, the Board directed the Secretary of the Port Authority, with the assistance of General Counsel of the Port Authority, to prepare a revised Freedom of Information policy for consideration by the Board, at this meeting, that would: (i) provide for the disclosure of Port Authority records to the same extent that comparable records would be disclosable by either the State of New York or the State of New Jersey under their respective freedom of information and privacy laws; and (ii) create a two-tiered appeals process that would be available to any person who is denied access to a record of the Port Authority, consisting in the first instance of the consideration of such matter by a Freedom of Information Review Board to be established within the agency, to be followed, if necessary, with a binding independent arbitration process to be conducted by a neutral, third-party alternative dispute resolution provider.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber 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, as the governing body of The Port Authority of New York and New Jersey, the Commissioners express their continuing belief that, as a public sector entity playing a pivotal role in supporting economic activity throughout the Port District on behalf of the States of New York and New Jersey, the Port Authority must conduct its business in the public interest in a transparent manner that will maintain and bolster public knowledge of, and confidence in, the agency and its activities; and it is further

RESOLVED, that the Board has determined that the Port Authority's Freedom of Information Code shall be revised, effective as of January 1, 2015, to further enhance the openness and transparency of agency action, through timely access to the public records of the Port Authority and its subsidiary corporations, by: (i) providing for the disclosure of Port Authority records to the same extent that comparable records would be disclosable by either the State of New York or the State of New Jersey under their respective freedom of information and privacy laws; and (ii) creating a two-tiered appeals process that will be available to any person denied access to a record of the Port Authority; and it is further

RESOLVED, that the resolution adopted on March 29, 2012, entitled "*Access to Port Authority Records – Ensuring Open Public Records – Port Authority Freedom of Information Code*" (appearing at pages 38, *et. seq.* of the Special Committee on Operations minutes of that date), shall be, and it hereby is, rescinded, effective as of January 1, 2015; and it is further

RESOLVED, that any paper, written or printed book, document, report, statement, examination, memorandum, opinion, folder, file, manual, pamphlet, form, design, drawing, map, plan, photograph, letter, microfilm, computer tape or disc, rule,

regulation or code, data-processed or image-processed document, information stored or maintained electronically or by sound-recording or in a similar device, or any copy thereof, that has been made, generated, maintained, received in the course of transacting official business or kept on file (collectively "Records") of the Port Authority, shall be made available for public inspection and/or copying to the same extent that comparable records would be disclosable by either (i) the State of New York under the New York Freedom of Information Law and Personal Privacy Protection Law, and relevant administrative provisions and judicial decisions; or (ii) the State of New Jersey under the New Jersey Open Public Records Act, and relevant administrative provisions and judicial decisions; and it is further

RESOLVED, that the Secretary of the Port Authority shall administer this Code pursuant to the following procedures:

A. Requests

Requests for inspection or copying of Records may be made to the Secretary of the Port Authority (or the Secretary's designee) in writing, and may be submitted:

1. in person, during regular business hours at the Port Authority's main office;

2. by postal or private delivery, addressed to the Secretary, The Port Authority of New York and New Jersey, at the Port Authority's main office, Attention: FOI Administrator;

3. by facsimile, addressed to the Secretary, The Port Authority of New York and New Jersey, at the Port Authority's main office, Attention: FOI Administrator, at the telephone extension designated for this purpose; or

4. by electronic means, such as electronic mail addressed to the Secretary, The Port Authority of New York and New Jersey, Attention: FOI Administrator, at the e-mail address designated for this purpose, or through the Port Authority's Web site.

Requests must contain sufficient information to locate and identify the particular Records sought. Such requests must not be overly broad, but must be as detailed as possible and provide, at a minimum, a clear description of the Record or type of Record being sought. Requests seeking "any and all records" regarding a facility, project, contract, or other activity are presumptively overly broad.

B. Determination of Availability

Within five (5) business days following the receipt of a request, the Secretary of the Port Authority (or the Secretary's designee) must:

1. make the Record available, in whole or in part; or

2. deny the request; or

3. acknowledge the receipt of the request and provide a written statement to the requester of the approximate date by which the requester may expect a response. If a determination of availability is anticipated to be later than twenty (20) business days from the date of acknowledgement, the Secretary of the Port Authority (or the Secretary's designee) must advise the requester in the written statement of the reason for such anticipated response timeframe.

If the request is granted in whole or in part, the requester shall be notified that the responsive Records have been posted on the Port Authority's Web site (including the specific location) and are available for inspection. If the requester wishes to obtain paper copies of the available responsive Records, copies will be made available upon payment of the appropriate fees.

If the request is denied, the requester shall be advised in writing of the reasons, including the exemption(s) applied to deny access to the requested Record.

If no responsive Records are found, the requester will be notified in writing.

C. Appeal to Freedom of Information Review Board and Binding Arbitration Process

1. The determinations made under this Code by the Secretary of the Port Authority (or the Secretary's designee) with respect to access to Records shall, upon appeal by a requester whose request for access has been denied in whole or in part, be subject to review by the Port Authority Freedom of Information Review Board ("FIRB"), composed of three Port Authority staff members designated from time to time by the Chairman of the Port Authority. Such appeals should be addressed to the Secretary of the Port Authority on behalf of the FIRB in the same manner as set forth in subparagraphs A-2, A-3 or A-4 above with respect to initial requests. The FIRB shall, upon appeal by a requester, review any or all determinations of the Secretary of the Port Authority (or designee) with respect to access to Records and either uphold or reverse them. In making such decision, the FIRB may seek additional information from the Secretary of the Port Authority and/or the requester. Action by the FIRB requires the assent of a majority of the members, but in no event fewer than two members present and voting. Except in a situation where a requester has unreasonably refused to provide additional information requested by the FIRB, the failure of the FIRB to provide a final response to a requester's appeal within sixty (60) days of receipt of that request by the Office of the Secretary shall be deemed a denial of such request.

2. Upon denial by the FIRB of a requester's appeal, in the event that the requester determines to challenge such denial, the requester shall submit the matter to final and binding arbitration in New York City through JAMS (or, in the event that JAMS is unavailable, through a successor neutral, third-party alternative dispute resolution provider designated by the Chairman). Instructions for submittal of arbitration to JAMS may be found on the JAMS website at: http://www.jamsadr.com/arbitration-forms. In the event the position of the Port Authority is not upheld at the conclusion of the arbitration, the Port Authority shall reimburse the requester for the amount of the arbitration filing fee and the arbitrator's fee paid by the requester.

D. Fees

When a request for access to Records is granted, in whole or in part, the responsive Records will be posted on the Port Authority's Web site (subject to any applicable redactions consistent with this Code). If the requester wishes to personally review the Records, they will be made available for inspection under the supervision of such officers or employees of the Port Authority at such locations and at such times as may be designated by the Secretary of the Port Authority.

If a requester seeks tangible, "hard" copies of Records rather than or in addition to access to Records, such Records will be copied by the Port Authority, if practical, for a fee of twenty-five cents (25¢) for each page and five dollars ($5.00) for Records provided in compact disk (or other comparable) format. The Secretary of the Port Authority may modify or establish, from time to time, appropriate fees for producing copies, including copies in other formats, such as when such Records are of unique size or volume or when it may not be practical for the Port Authority to reproduce or make available on the Port Authority's Web site. In such instances, the requested Records may be reproduced commercially, and the person requesting the copy will be charged for the full cost of such commercial reproduction.

A fee of no less than two dollars ($2.00) will be charged for certification as to the authenticity of any document, or that a Record cannot be found.

In the event a search for Records requested will require more than one "person hour," or in the event a search of computer records will require programming that would take more than one "person hour," the requester will be advised in advance of the anticipated cost, which will be charged based on the labor cost of personnel assigned to conduct the search or programming, as determined for such search by the Secretary of the Port Authority. Payment of the search fee does not guarantee that any Records responsive to the request will be located or if located that such Records responsive to the request will be available for disclosure under this Code.

When the Port Authority is required to pay a contractor or other third party in possession of Records for purposes of effectuating such Port Authority contract, the Secretary of the Port Authority may establish and charge appropriate fees to defray the Port Authority's costs for such search. Such fees shall be reasonable and based upon the actual direct cost of obtaining the Records in the possession of the third party. In all cases, the requester shall be advised of the proposed fees in advance. Payment of the search fee does not guarantee that any Records responsive to the request will be located or if located that such Records responsive to the request will be available for disclosure under this Code.

E. Payment of Fees

All fees and costs shall be paid in cash, by certified check, money order or cashier's check, or by any other means deemed reasonable by the Secretary of the Port Authority. Checks or money orders are to be made payable to "The Port Authority of New York and New Jersey." Payment must be received in advance of the search or at the time of the delivery for inspection or copying of any Records or the Secretary's certification;

and it is further

RESOLVED, that Parts D and E (involving the collection of fees) in the immediately preceding procedures for administration of this Code shall be and they hereby are suspended on a trial basis until notice of the termination of such trial period is published by the Secretary of the Port Authority on the Port Authority's Web site; and it is further

RESOLVED, that the Secretary of the Port Authority be and hereby is authorized, for and on behalf of the Port Authority, to take such actions with respect to the public inspection and copying of available Records of the Port Authority, consistent with this Code, as may be necessary or appropriate in the best interest of the Port Authority or of the public; and it is further

RESOLVED, that, consistent with Port Authority policies and relevant provisions of law, information about the business of the Port Authority will continue to be posted on the Port Authority's Web site, from time to time, irrespective of whether such information is requested under this Code.

PORT AUTHORITY GOVERNANCE ENHANCEMENTS – REVISED CODE OF ETHICS FOR PORT AUTHORITY COMMISSIONERS, STAFF AND ENTITIES DOING BUSINESS WITH THE PORT AUTHORITY

As part of the ongoing review of Port Authority governance enhancements, the Chairman requested the Board to direct General Counsel, with the assistance of the Inspector General, the Chief, Human Capital, and the Board Secretary, to establish an interdepartmental working group to prepare a revised Port Authority Code of Ethics that would integrate the current codes of ethics, rules and regulations and administrative instructions pertaining to ethical conduct and applicable to Commissioners, staff and those doing business with the Port Authority, into a single resolution for consideration by the Board at its February 2015 meeting.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber 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, with the assistance of the Inspector General, the Chief, Human Capital, and the Board Secretary, is directed to establish an interdepartmental working group to prepare a revised Port Authority Code of Ethics that would integrate the current codes of ethics, rules and regulations and administrative instructions pertaining to ethical conduct and applicable to Commissioners, staff and those doing business with the Port Authority into a single resolution for consideration by the Board at its February 2015 meeting.

PORT AUTHORITY GOVERNANCE ENHANCEMENTS – VOICE OF THE EMPLOYEE REPORTING SYSTEM – EVALUATION

As part of the ongoing review of Port Authority governance enhancements, the Chairman requested the Board to direct the Chief, Human Capital, to evaluate the feasibility and cost of creating a Port Authority "Voice of the Employee System" that will allow any Port Authority employee to report to a third-party vendor, retained by the Port Authority, such employee's concerns or complaints about conflicts of interest or inappropriate conduct by others within the agency, anonymously if the employee so chooses. The third-party vendor will ensure that the identity of the employee is protected, but will forward the matter to the appropriate department within the Port Authority for review, *e.g.,* the Office of General Counsel, the Office of the Inspector General and/or the Human Resources Department, and if the matter refers to accounting or financial irregularities, to the Chair of the Audit Committee, the Chairman and the Vice Chairman. The third-party vendor would also provide the Board Secretary with a quarterly report of all such referrals for circulation to the Board. The Chairman also requested that the Board direct the Chief, Human Capital, to provide the Board with her evaluation prior to its February 2015 meeting.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber 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 Chief, Human Capital, is directed to evaluate the feasibility and cost of creating a Port Authority "Voice of the Employee System" that will allow any Port Authority employee to report to a third-party vendor, retained by the Port Authority, such employee's concerns or complaints about conflicts of interest or inappropriate conduct by others within the agency, anonymously if the employee so chooses, and to provide the Board with her evaluation prior to its February 2015 meeting.

LAGUARDIA AIRPORT – FUEL SERVICE STATION AND CONVENIENCE STORE – NEW LEASE AGREEMENT

It was recommended that the Board authorize the Executive Director to enter into a new lease agreement with GAZ Realty, Inc. d/b/a Airport Plazas LLC (GAZ), to manage, operate and maintain the multi-fuel vehicle service station (Building 37) and associated land area at LaGuardia Airport (LGA) for a ten-year term, commencing on or about December 1, 2014.

Building 37, which is located near the Marine Air Terminal and adjacent to several rental car operations that serve LGA customers, was constructed in 1999 and consists of a multi-fuel vehicle service station, vehicle maintenance garage, and one-story convenience store. The station, which is currently operated by BP Products North America Inc. under an agreement that expired in May 2014 and has been extended on a month-to-month basis pending the execution of a new lease pursuant to a publicly advertised Request for Proposals (RFP) process, serves members of the public, including airport customers, tenants, and employees.

A RFP was publicly advertised in July 2014 to solicit proposals for the continued operation of the leasehold as a fueling station. GAZ submitted the sole responsive financial proposal, which met each of the Port Authority's requirements.

Under the proposed new lease, GAZ would invest a minimum of $1.5 million in the leasehold, which would include renovating the approximate 3,441-square-foot building, expanding the convenience store, providing a modern restroom facility, upgrading the mechanical systems, improving the parking area, and upgrading the compressed natural gas facilities. It is anticipated that, over the term of the proposed lease agreement, the Port Authority would receive a total aggregate rental of approximately $2,338,336, consisting of fixed rent, variable rent based on the volume of fuel sold, and percentage rent of gross receipts. The Port Authority would have the right to terminate the agreement, without cause, upon 30 days' prior written notice to GAZ. Upon such termination, the Port Authority would reimburse GAZ for the unamortized portion of its initial investment, not to exceed $1.5 million.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber 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 Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a new lease agreement with GAZ Realty, Inc. d/b/a Airport Plazas LLC, to manage, operate and maintain the multi-fuel vehicle service station at LaGuardia Airport, 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 and agreement in connection with the foregoing 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 HEATING, VENTILATION, AIR CONDITIONING AND BUILDING CONTROLS

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 ACS System Associates, Inc. to furnish and install heating, ventilation, air conditioning (HVAC) and building controls systems for the World Trade Center West Bathtub Vehicular Access (WTC WBVA) Project, at an estimated cost of $14,161,880, inclusive of net cost work and an eight-percent allowance for extra work; (2) increase the compensation under the existing agreement with WSP Group to provide expert professional architectural and engineering services in support of the WTC WBVA Project, consistent with the terms outlined to the Board; and (3) increase the compensation under the existing agreement with Tishman to provide construction management services in support of the WTC WBVA Project, 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 complete HVAC and building controls systems, including airside sheet metal ducts, fans, dampers, insulation, piping, chillers, pumps, exchangers and associated equipment. Air conditioning scope is defined by the engineer of record and the WBVA facility staff, and would include, but not be limited to, program spaces, such as electrical and mechanical rooms and offices.

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 does not include any funding for the construction of the future PAC building above the WBVA, nor does 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, with two one-year extension options, at a total estimated amount of $47.3 million. On June 28, 2012, the Board authorized an increase in planning work for the design and construction of the WTC WBVA and structure to grade (Parcel 1B), at an estimated amount of $17 million. That authorization included the award of an agreement to WSP Group, in the amount of $12,361,222, inclusive of an eight-percent contingency allowance and contract option work, for engineering, administration and other

costs related to final design and construction services for the WTC WBVA Project. The contract with WSP Group includes provisions for architectural and engineering services for the demolition and removal of the North Temporary Access structure at the WTC site.

It is necessary to increase the amounts authorized under the existing agreements with WSP Group and Tishman for professional architectural and engineering services and construction management services, respectively, to support the WTC WVBA Project, consistent with the terms outlined to the Board. The architectural and engineering services are required for coordination efforts associated with the PAC. 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 WVBA Project.

The Lower Manhattan Development Corporation has allocated approximately $100 million via an existing United States Department of Housing and Urban Development grant toward the construction of the PAC. The Port Authority anticipates that it will receive 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 between the Port Authority, the PAC Foundation and agencies of the State of New York. In connection with the 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 Degnan, Laufenberg, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber 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 ACS System Associates, Inc. to furnish and install heating, ventilation, air conditioning and building controls systems for the World Trade Center West Bathtub Vehicular Access (WTC WBVA) Project, at an estimated cost of $14,161,880, 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 WSP Group to provide expert professional architectural and engineering services in support of the WTC WBVA Project, consistent 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 increase the compensation under the existing agreement with Tishman Construction Corporation to provide construction management services in support of the WTC WBVA Project, 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.

WORLD TRADE CENTER WEST BATHTUB VEHICULAR ACCESS PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR SUPERSTRUCTURE CONCRETE

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 EIC Associates, Inc. to furnish and install superstructure concrete for the World Trade Center West Bathtub Vehicular Access (WTC WBVA) Project, at an estimated cost of $42,690,823, inclusive of net cost work and an eight-percent allowance for extra work; (2) increase the compensation under the existing agreement with WSP Group to provide expert professional architectural and engineering services in support of the WTC WBVA Project, consistent with the terms outlined to the Board; and (3) increase the compensation under the existing agreement with Tishman to provide construction management services in support of the WTC WBVA Project, 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 reinforced walls, columns, elevated slabs, steel and column encasement, architectural blast walls, sidewalks/ramps and stairs.

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, with two one-year extension options, at a total estimated amount of $47.3 million. On June 28, 2012, the Board authorized an increase in planning work for the design and construction of the WTC WBVA and structure to grade (Parcel 1B), at an estimated amount of $17 million. That authorization included the award of an agreement to WSP Group, in the amount of $12,361,222, inclusive of an eight-percent contingency allowance and contract option work, for engineering, administration and other costs related to final design and construction services for the WTC WBVA Project. The contract with WSP Group includes provisions for architectural and engineering services for the demolition and removal of the North Temporary Access structure at the WTC site.

It is necessary to increase the amounts authorized under the existing agreements with WSP Group and Tishman for professional architectural and engineering services and construction management services, respectively, to support the WTC WBVA Project, consistent with the terms outlined to the Board. The architectural and engineering services are required for coordination efforts associated with the PAC. 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 Lower Manhattan Development Corporation has allocated approximately $100 million via an existing United States Department of Housing and Urban Development grant toward the construction of the PAC. The Port Authority anticipates that it will receive 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 between the Port Authority, the PAC Foundation and agencies of the State of New York. In connection with the 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 Degnan, Laufenberg, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber 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 EIC Associates, Inc. to furnish and install superstructure concrete for the World Trade Center West Bathtub Vehicular Access (WTC WBVA) Project, at an estimated cost of $42,690,823, 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 WSP Group to provide expert professional architectural and engineering services in support of the WTC WBVA Project, consistent 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 increase the compensation under the existing agreement with Tishman Construction Corporation to provide construction management services in support of the WTC WBVA Project, 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.

ONE WORLD TRADE CENTER – INCREASE IN SCOPE TO THE EXISTING OWNER'S REPRESENTATIVE AND CONSTRUCTION MANAGER AGREEMENT WITH AFFILIATES OF THE DURST ORGANIZATION IN SUPPORT OF THE EXPANSION OF THE TENANT PREBUILT PROGRAM

In connection with the leasing and fit-out of One World Trade Center (One WTC), it was recommended that the Board authorize the Executive Director to amend agreements with Royal 1 WTC Management LLC (Royal), an affiliate of the Durst Organization (Durst), to increase the scope of the existing Tenant Prebuilt Program to include one additional floor of prebuilt suites and up to ten additional floors of multi-tenant improvements, at an estimated cost of $23.5 million for this Phase II of the Tenant Prebuilt Program.

At its meeting of August 5, 2010, the Board authorized a transaction with Durst for Durst to become a joint venture partner with the Port Authority in the net leasehold interest of One WTC and to participate and/or advise in the construction, financing, leasing, management and operation of One WTC. Durst since has provided advice and other services to the Port Authority in support of interim facilities essential for the timely establishment of One WTC leasing and operations.

The prebuilt program was developed to meet the demand for leased premises smaller than the standard floor plates of 32,000 to 48,000 square feet at One WTC. Demand for small commercial office space in lower Manhattan is significant. Of the 111 leases signed downtown from January 2014 through August 2014, approximately 72 percent were for spaces less than 20,000 square feet. Phase I of the Tenant Prebuilt Program at One WTC currently is being implemented, and several leases have been signed to date. Due to the prebuilt nature of the space and the smaller size of the tenants, the rents achieved have been approximately 20 percent higher per square foot than signed office rents for space outside of the prebuilt program at One WTC.

The proposed added scope of the agreements with Royal includes one additional floor of prebuilt suites and multi-tenant improvements on ten floors, including elevator lobby finishes, common corridors, sprinkler loops and demising. Multi-tenant improvements are necessary to accommodate tenants who wish to occupy less than a full floor or who lease multiple floors, including a partial floor.

The Joint Venture Agreement and related documents authorized by the Board on August 5, 2010 and May 25, 2011 anticipated that Durst would act as construction manager or owner's representative with respect to the fit-out of space within One WTC, and specified that a separate agreement would be reached on the terms of such work. Accordingly, on July 24, 2013, the Board authorized the Owner's Representative and Construction Management agreement with Royal to act as the Owner's Representative and Construction Manager for the fit-out of a Tenant Prebuilt Program in One WTC, and for the fit-out of the ground floor lobby and Sky Lobby (64th Floor) of One WTC.

Royal would retain construction services necessary to implement the work through procurement processes, as defined in the agreements.

Including the $21 million cost of Phase I of the Tenant Prebuilt Program, the total estimated cost to support the building improvements for the program is $44.5 million.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber 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 amend agreements with Royal 1 WTC Management LLC, an affiliate of the Durst Organization, to increase the scope of the existing Tenant Prebuilt Program for One World Trade Center to include one additional floor of prebuilt suites and up to ten additional floors of multi-tenant improvements, at an estimated cost of $23.5 million for this Phase II of the Tenant Prebuilt Program; 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; and it is further

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

WORLD TRADE CENTER – SITE-WIDE SYSTEMS INTEGRATION – PHASE II – INTEGRATION OF UTILITY METERS, VERTICAL TRANSPORTATION MANAGEMENT SYSTEM, AND ELECTRONIC SECURITY ACCESS CONTROL SYSTEM – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for Phase II of the World Trade Center (WTC) Site-wide Integration of Life Safety, Emergency Response and Operations Systems (the Site-wide Integration Project), which would centralize and integrate certain building systems, including utility meters, access control and vertical transportation, at an incremental project cost of $6.3 million, resulting in a total project cost of $40 million for Phases I and II of the Site-wide Integration Project; and (2) the Executive Director to: (a) award a contract to SourceOne, Inc. to furnish and install the integrated utility meters, at an estimated amount of $5.1 million, inclusive of extra work; (b) award a contract to the lowest bidder, pursuant to a competitive bid process, to furnish and install a Lenel-based electronic security access control system, at an estimated amount of $2.2 million, inclusive of an allowance for extra work; and (c) increase the amounts of certain construction trade contracts with Zwicker Electric Co., Inc. (Zwicker) and ThyssenKrupp Elevator Corporation (Thyssen) to furnish and install the elevator monitoring system, at an estimated aggregate amount of $257,000, the cost of each of which is within the total project cost of $40 million.

Given that the WTC site consists of multiple buildings and components, the site-wide integration initiative has been developed to ensure that operational systems for the different WTC projects are fully integrated and coordinated. The initiative promotes the following goals: enhancing life safety; improving emergency response and communications throughout the WTC site; integrating the critical building and operational systems to optimize operational efficiency; enabling the WTC site to function as a fully integrated facility; and reflecting industry best practices of similar large-scale developments.

Consistent with the aforementioned objectives, on February 24, 2011, the Board authorized planning work, in an estimated amount of $8.1 million, to conduct a comprehensive review of all operations systems at the WTC site, including operations related to the WTC Transportation Hub, One World Trade Center, the WTC retail development, the Vehicular Security Center, and the National September 11 Memorial and Museum, to ensure the compatibility and interoperability of these systems on a site-wide basis.

On May 29, 2013, the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, authorized Phase I of the Site-wide Integration Project, which included the following: (1) a Fire Alarm Integration initiative, to integrate multiple fire alarm systems being installed in connection with the various WTC site components, in order to enhance emergency situational awareness at the WTC site among all stakeholders, and to develop and program sequences of operations to ensure that each fire alarm system acts collaboratively with the others; and (2) a Standardized Room and Level Identification for Life Safety and Emergency Responders initiative, to create a consistent building nomenclature by developing a uniform naming system for levels, rooms and critical equipment for all site assets, updating the site-wide construction documents in accordance with this system, and installing the appropriate signs and designations to each covered item or area.

The proposed Utility Meter Integration initiative would provide for the installation of additional utility meters and network infrastructure to integrate the WTC site's utility meters under a web-based Enterprise Utility Management Platform, which would allow the Port Authority to obtain real-time energy consumption data necessary for metrics and energy-efficient facility operations practices. SourceOne, Inc., which was selected as the lowest bidder in response to a publicly advertised request for bids, would be retained to support the Utility Meter Integration initiative, at an estimated amount of $5.1 million, inclusive of an allowance for extra work.

The proposed Access Control Systems Integration initiative would provide for the design and implementation of a centralized synchronization system that would bridge the various access control applications across the WTC site and provide a consolidated view-and-control tool for electronic access control to critical site-wide spaces, in order to support effective day-to-day operations, as well as enhance situational awareness for first responders. Bids would be solicited from a list of pre-qualified approved vendors certified to furnish, install and integrate Lenel-based systems, at an estimated amount of $2.2 million, inclusive of an allowance for extra work.

The proposed Vertical Transportation Integration initiative would provide for the installation of appropriate software to monitor the activity of each elevator and escalator within the Port Authority-operated areas of the WTC site. Existing contracts with Thyssen and Zwicker would be supplemented to support this initiative, at an estimated aggregate amount of $257,000.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber 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 Phase II of a World Trade Center Site-wide Integration of Life Safety, Emergency Response and Operations Systems project (Site-wide Integration Project), which consists of integrated utility meters, an electronic access control system and a vertical transportation management system, at an incremental project cost of $6.3 million, resulting in a total project cost of $40 million for Phases I and II of the Site-wide Integration Project, 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 all necessary actions to implement Phase II of the Site-wide Integration Project, including to: (a) award a contract to SourceOne, Inc. to furnish and install the integrated utility meters, at an estimated amount of $5.1 million, inclusive of extra work; (b) award a contract to the lowest bidder, pursuant to a competitive bid process, to furnish and install a Lenel-based electronic security access control system, at an estimated amount of $2.2 million, inclusive of an allowance for extra work; and (c) increase the amounts of certain construction trade contracts with Zwicker Electric Co., Inc. and ThyssenKrupp Elevator Corporation to furnish and install the elevator monitoring system, at an estimated aggregate amount of $257,000; the cost of each of which is within the total project cost of $40 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 Phase II of the Site-wide Integration 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 and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONTRACT ACTIONS FOR ARCHITECTURAL AND ENGINEERING DESIGN AND OTHER CONSULTANT SERVICES AND EXPENDITURES TO SUPPORT ONGOING POST-HURRICANE SANDY RECOVERY WORK AND RELATED COSTS

It was recommended that the Board authorize: (1) the expenditure of an additional estimated amount of approximately $3 million for certain contract actions for architectural and engineering design and construction support services and other consultant services and expenses expected to be required to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by such consultant contractors related to associated delays and acceleration of work to minimize schedule impact and maintain commitments to third-party stakeholders, resulting in a cumulative total authorization of approximately $108.87 million for consultant-related activities associated with the response, recovery, restoration and mitigation efforts at the WTC site; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, Vehicular Security Center, WTC Memorial Museum, and One WTC, among other WTC projects in construction. Although the de-watering of the WTC site was substantially completed in early November, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through September 17, 2014, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions for consultant services and construction work required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts through October 31, 2014, in a total estimated amount of $617.09 million.

Comprehensive damage assessments and project impact evaluations related to Hurricane Sandy were conducted, and latent damage assessments are ongoing. Staff has ordered various contractors to repair or replace damaged and destroyed equipment and infrastructure, including the purchase or repurchase of major long-lead items, such as: electrical switchgear and substation equipment; vertical circulation equipment; and mechanical fans, air handling units and controls. Together with the previously authorized amount, the proposed increases in contract amounts are needed to compensate for construction management, program management, design support, damage evaluations and assessments, inspection services, and integrity monitoring services, as well as extended general overhead and impact costs, including compensation for additional costs incurred to manage and support the repair/replacement and re-installation work. Authorization of approximately $24.5 million in increases to compensate construction contractors for ongoing repairs to address storm-related damages at the WTC site, as well as for trade-specific extended general conditions for repair work, is being sought through a companion item being advanced at this meeting of the Board. The cumulative authorized total for construction and consultant services required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts, including past authorizations and both companion items being advanced at this meeting of the Board, would be approximately $644.59 million

Consistent with previous discussions with the Board, as additional information is made available through ongoing latent damage inspections, further project evaluations and implementation decisions regarding Hurricane Sandy's impact and the potential for including additional mitigation efforts to deliver a more resilient site are being made. It is anticipated that there may be further requests for increases to consultant contract amounts for actions attributable to Hurricane Sandy recovery, including oversight of further equipment replacement and installation costs and potential mitigation costs, which would be subject to further authorization and requested on an "as needed" basis.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber 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 expenditure of an additional estimated amount of approximately $3 million for certain additional contract actions for architectural and engineering design and construction support services and other consultant services and expenses expected to be required to effectuate the repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by consultant services contractors related to associated delays and the acceleration of work to minimize schedule impact and maintain commitments to third-party stakeholders, be and it hereby is authorized, consistent 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 take all actions necessary to facilitate the foregoing, 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.

WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONSTRUCTION CONTRACT ACTIONS AND EXPENDITURES TO SUPPORT ONGOING POST-HURRICANE SANDY RECOVERY WORK AND RELATED COSTS

It was recommended that the Board authorize: (1) the expenditure of an additional estimated amount of approximately $24.5 million for certain construction contract actions and expenses expected to be required to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by such construction contractors related to associated delays and acceleration of work to minimize schedule impact and maintain commitments to third-party stakeholders, resulting in a cumulative total authorization of approximately $536.52 million for construction-related activities associated with the response, recovery, restoration and mitigation efforts at the WTC site; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, Vehicular Security Center, WTC Memorial Museum, and One WTC, among other WTC projects in construction. Although the de-watering of the WTC site was substantially completed in early November, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through September 17, 2014, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions for construction work and consultant services required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts through October 31, 2014, in a total estimated amount of $617.09 million.

Comprehensive damage assessments and project impact evaluations related to Hurricane Sandy were conducted, and latent damage assessments are ongoing. Staff has ordered various contractors to repair or replace damaged and destroyed equipment and infrastructure, including the purchase or repurchase of major long-lead items, such as: electrical switchgear and substation equipment; vertical circulation equipment; and mechanical fans, air handling units and controls. Together with the previously authorized amount, the proposed increases in contract amounts are needed to compensate contractors for ongoing repairs to address storm-related damages, trade-specific extended general conditions for repair work, as well as extended general overhead and impact costs. Authorization of approximately $3 million in increases to compensate consultants for their costs to address storm-related damages at the WTC site is being sought through a companion item being advanced at this meeting of the Board. The cumulative authorized total for construction and consultant services required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts, including past authorizations and both companion items being advanced at this meeting of the Board, would be approximately $644.59 million.

In addition, a portion of the funding is necessary to compensate contractors for impact delays and acceleration costs that were a direct result of Hurricane Sandy and the extended recovery and

restoration period, based on certain schedule adjustments that were necessary as a direct result of the extensive recovery and restoration efforts.

Consistent with previous discussions with the Board, as additional information is made available through ongoing latent damage inspections, further project evaluations and implementation decisions regarding Hurricane Sandy's impact and the potential for including additional mitigation efforts to deliver a more resilient site are being made. It is anticipated that there may be further requests for increases to construction contract amounts for actions attributable to Hurricane Sandy recovery, including further equipment replacement and installation costs, construction general conditions costs and potential mitigation costs, which would be subject to further authorization and requested on an "as-needed" basis.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber 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 expenditure of an additional estimated amount of approximately $24.5 million for certain additional construction contract actions and expenses expected to be required to effectuate the repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction contractors related to associated delays and the acceleration of work to minimize schedule impact and maintain commitments to third-party stakeholders, be and it hereby is authorized, consistent 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 take all actions necessary to facilitate the foregoing, 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.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – BUILDING 156 (AIR TRAFFIC CONTROL TOWER) – REHABILITATION OF PORTIONS OF THE EXTERIOR AND REPLACEMENT OF EQUIPMENT – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the rehabilitation of portions of the exterior of the Air Traffic Control Tower (a/k/a Building 156) at John F. Kennedy International Airport (JFK), including the replacement of all 11 roofs and electrical and mechanical equipment located on the roofs, and testing and rehabilitation of structural components of the associated glass curtain walls, at an estimated total project cost of $49.4 million; and (2) the Executive Director to: (a) award a contract to effectuate the construction of the project, pursuant to a publicly advertised low-bid process, at an estimated total construction cost of $29.5 million, inclusive of net cost and extra work; and (b) enter into an agreement for professional, technical and advisory services, pursuant to a competitive Request for Proposals process, to provide architectural and engineering services required for the project, in an amount not to exceed $2.6 million.

The existing Air Traffic Control Tower, which was constructed by the Port Authority and has been in operation since 1991, is approximately 320 feet high and located adjacent to Terminal 4 at JFK. The control tower structure includes 11 roofs, with certain mechanical, electrical and communications equipment affixed to the roofs that is required to support the building and overall airport operations, as well as six cantilevered floors with glass curtain walls. The control tower houses Federal Aviation Administration employees and equipment required to support safe airport operations, as well as certain space to support Terminal 4 operations.

The roofs and structural elements to support the glass curtain walls are approaching the end of their useful life of approximately 25 years and require rehabilitation or replacement in order to maintain the structural integrity of the control tower.

The proposed project would include four principal components: (1) full replacement of the 11 tower roofs; (2) testing of, and repairs to and/or partial replacement of, the structural support components for the glass curtain walls; (3) repair and replacement of the mechanical and electrical equipment located on the tower's roofs; and (4) temporary relocation of antennas and other communication equipment located on the roofs that is required to accommodate the replacement of the roofs.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Degnan, Laufenberg, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber voting in favor; Commissioner Lipper 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 a project for the rehabilitation of portions of the exterior of the Air Traffic Control Tower (a/k/a Building 156) at John F. Kennedy International Airport, including the replacement of all 11 roofs and electrical and mechanical equipment located on the roofs, and testing and rehabilitation of structural components of the associated glass curtain walls, at an estimated total project cost of $49.4 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: (1) award a contract to effectuate the elements of the foregoing project, pursuant to a publicly advertised low-bid process, at an estimated total construction cost of $29.5 million, inclusive of net cost work and extra work; and (2) enter into an agreement for professional, technical and advisory services, pursuant to a competitive Request for Proposals process, to provide associated architectural and engineering services, in an amount not to exceed $2.6 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 documents and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

CONFIDENTIAL ITEM

The Board also authorized a transaction in executive session, which shall not be made available for public inspection.

Whereupon, the meeting was adjourned.

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Secretary