

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES**

**Thursday, November 15, 2012**

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, November 15, 2012 at 225 Park Avenue South, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. David Samson, Chairman  
 Hon. Richard H. Bagger  
 Hon. Raymond M. Pocino  
 Hon. Anthony J. Sartor  
 Hon. William P. Schuber  
 Hon. David S. Steiner

**NEW YORK**

Hon. Scott H. Rechler, Vice-Chairman  
 Hon. Jeffrey H. Lynford  
 Hon. Jeffrey A. Moerdler  
 Hon. Rossana Rosado  
 Hon. James P. Rubin

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

Susan M. Baer, Director, Aviation  
 Roy A. Biederman, Police Officer  
 Rosemary Chiricolo, Deputy Director, Management and Budget  
 Steven J. Coleman, Deputy Director, Media Relations  
 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  
 Daniel J. Dias, Police Sergeant  
 Claudia Dickey, Assistant Director, Public Safety  
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director  
 John J. Drobny, Director, Security Projects, Office of the Chief Operating Officer/Co-Director, Security Transition Office/Acting Director, Security, World Trade Center  
 Joseph P. Dunne, Chief Security Officer  
 Michael G. Fabiano, Chief Financial Officer  
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police  
 Michael B. Francois, Chief, Real Estate and Development  
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals  
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs  
 Linda C. Handel, Deputy Secretary  
 Mary Lee Hannell, Director, Human Resources  
 Andrew T. Hawthorne, Director, Marketing  
 Anthony Hayes, Manager, Media Planning, Media Relations  
 Howard G. Kadin, Esq., Law  
 Kirby King, Director, Technology Services  
 Rudolph L. King, Assistant Information Officer, Media Relations  
 Stephen Kingsberry, Acting Director, Rail Transit  
 Cristina M. Lado, Director, Government & Community Affairs, New Jersey  
 Richard M. Larrabee, Director, Port Commerce  
 John H. Ma, Chief of Staff to the Executive Director  
 Lisa MacSpadden, Director, Media Relations  
 Stephen Marinko, Esq., Law

Ron Marsico, Assistant Director, Media Relations, Public Affairs  
 Daniel G. McCarron, Comptroller  
 John H. McColgan, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals  
 James E. McCoy, Manager, Board Management Support, Office of the Secretary  
 Anne Marie C. Mulligan, Treasurer  
 Richard M. Munnely, Police Lieutenant  
 Patrick B. O'Reilly, Senior Advisor to the Chairman  
 Glen T. Page, Police Officer  
 Antonio M. Perzichilli, Police Sergeant  
 Jared Pilosio, Staff External Relations Representative, Government and Community Affairs  
 Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction  
 Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary  
 Richard J. Rebisz, Senior External Relations Representative, Government and Community Affairs  
 Shane Robinson, Staff External Affairs Representative, Government and Community Affairs  
 John Ryan, Acting Chief, Public Safety  
 Brian W. Simon, Director, Government and Community Affairs, New York  
 Timothy G. Stickelman, Assistant General Counsel  
 Gerald B. Stoughton, Director, Financial Analysis  
 Edward H. Strauss, Toll Collector, Tunnels, Bridges and Terminals  
 Robert A. Sudman, Director, Audit  
 Robert N. Swaney, General Patron Services Supervisor, Tunnels, Bridges and Terminals  
 Ralph Tragale, Assistant Director, Public Affairs, Aviation  
 David B. Tweedy, Chief, Capital Programs  
 I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office  
 Lillian D. Valenti, Director, Procurement  
 Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary  
 David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director  
 Peter J. Zipf, Chief Engineer

Guests:

Nicole Crifo, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey  
 Regina Egea, Director, Authorities Unit, Office of the Governor of New Jersey  
 Jeanine M. Thompson, Assistant Secretary for Transportation, State of New York

Speakers:

Murray Bodin, Member of the Public  
 Phil Derner, President/Founder, NYC Aviation LLC  
 Margaret Donovan, Twin Towers Alliance  
 Richard Hughes, Twin Towers Alliance  
 Kalev Savi, Member of the Public

The public meeting was called to order by Chairman Samson at 1:09 p.m. and ended at 2:13 p.m. The Board met in executive session prior to the public session.

### **Action on Minutes**

The Secretary submitted for approval Minutes of the meeting of October 18, 2012. 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 October 19, 2012. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on November 2, 2012.

Whereupon, the Board unanimously approved the Minutes of the meeting of October 18, 2012.

### **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 executive session at its meeting on October 18, 2012, which included discussion of matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and the report was received.

The Committee on Capital Planning, Execution and Asset Management also reported, for information, on matters discussed in public session at its meeting on November 15, 2012, which included discussion of projects for the design and construction of an additional electrical substation for Terminal B and replacement of an electrical substation and two chillers that serve the Central Heating and Refrigeration Plant at Newark Liberty International Airport, a project for the rehabilitation of three taxiways at LaGuardia Airport, and discussion of projects for the rehabilitation of cable strands in anchorages and relocation of utilities on the main span at the George Washington Bridge, and the report was received.

### **Report of Committee on Operations**

The Committee on Operations reported, for information, on matters discussed in public and executive sessions at its meeting on November 15, 2012, which included discussion of planning for, and early-action contract awards, in connection with the future replacement of the Intelligent Transportation System at the George Washington Bridge, and discussion of matters related to proposed, pending, or current litigation or judicial or administrative proceedings and matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, 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 and executive sessions at its meeting on November 15, 2012, which included discussion of an item that authorizes the retention of three contractors to perform core and shell and tenant alteration work for One World Trade Center, and a contract for site-wide operations and maintenance services for the operation of the World Trade Center site, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

### **Report of Special Meeting of Committee on Operations**

In view of the fact that as a result of prospective recusals there would not be a sufficient number of Commissioners present for the Board to consider an item on the agenda at its meeting on November 15, 2012, consistent with the Port Authority's By-Laws, a special meeting of the Committee on Operations was held. At the meeting, the Committee acted for and on behalf of the Board on the item. A copy of the minutes of the special meeting of the Committee on Operations held on November 15, 2012 is included with these minutes.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – INFRASTRUCTURE RENEWAL PROGRAM – DESIGN AND CONSTRUCTION OF AN ADDITIONAL ELECTRICAL SUBSTATION FOR TERMINAL B AND REPLACEMENT OF ELECTRICAL SUBSTATION AND CHILLERS SERVING THE CENTRAL HEATING AND REFRIGERATION PLANT – PROJECT AUTHORIZATIONS**

It was recommended that the Board authorize: (1) a project for the design and construction of a fourth electrical substation at Terminal B at Newark Liberty International Airport (EWR), at an estimated total project cost of approximately \$33.3 million; (2) a project for the design and construction of a replacement for the north electrical substation at EWR, along with upgrades of two chillers for the Central Heating and Refrigeration Plant (CHRP), at an estimated total project cost of approximately \$25.1 million (Both projects are in furtherance of a program to renew and enhance aging infrastructure at EWR.); and (3) the Executive Director to award contracts and enter into agreements to implement the foregoing projects, including: (a) Contract EWR 154.175, to construct an additional electrical substation at Terminal B, at a total estimated amount of approximately \$18.4 million; (b) Contract EWR 154.184, for the replacement of the north electrical substation and two chillers that serve the CHRP, at a total estimated amount of \$11.4 million; (c) agreements for professional architectural and engineering services to support the design of the additional electrical substation at Terminal B, at an estimated amount of approximately \$1.2 million, and to support the design of the replacement of the north electrical substation and chillers for the CHRP, at an estimated amount of approximately \$1.5 million; and (d) agreements with Public Service Electric & Gas Company (PSE&G) to reimburse PSE&G for its costs associated with its design and construction work necessary to integrate the new electrical substations and chillers with PSE&G's utility service, with the reimbursement for the Terminal B electrical substation to be in an estimated amount of \$1.55 million, and the reimbursement for the replacement of the north electrical substation and chillers for the CHRP to be in an estimated amount of \$2.55 million.

The Port Authority is currently engaged in a comprehensive infrastructure renewal of the primary utilities that serve EWR, which includes both near and long-term electrical infrastructure improvements. The EWR Infrastructure Renewal Program includes the two currently proposed projects, as outlined below. It is anticipated that authorization will be sought in the future for other projects in connection with this program.

**Terminal B Fourth Electrical Substation**

The three existing electrical substations that provide power to Terminal B are operating at or near design capacity, due to increased service demands as a result of additional and upgraded heating, ventilation and air conditioning equipment, additional usable tenant floor space, enlarged Transportation Security Administration screening installations and general Terminal upgrades. These improvements have imposed significant additional electrical loads that, although accommodated by the existing electrical infrastructure at Terminal B, have reduced the amount of spare electrical capacity required to support operations during exigent circumstances, and the existing infrastructure will be unable to accommodate future power capacity requirements.

The proposed project at Terminal B consists of the construction of a fourth, centrally located substation, sized to support projected additional electrical loads. The substation also would have backup emergency power capability, through the installation of a new generator with automated transfer switch capability. Further, the availability of the fourth electrical substation would allow for a terminal-wide realignment of existing electrical loads from critical building systems to improve operational reliability.

Bids for the contract work would be solicited through a publicly advertised Request for Qualifications, with award to the lowest qualified bidder. Professional, architectural and engineering services would be solicited through public advertisement, with award to the highest technically ranked firm, or through existing competitively procured call-in agreements. The reimbursement agreement with PSE&G would be negotiated, because PSE&G owns the utilities that connect to the electrical infrastructure and is therefore the only entity able to perform the work.

### **Replacement of the North Electrical Substation and Chiller Upgrades for the CHRP**

The CHRP supplies hot and chilled water to heat and cool Terminals A, B and C at EWR, through a centralized distribution system. When constructed in 1968, the CHRP was powered by the north electrical substation. The north substation is now over 40 years old, has reached the end of its service life, and requires replacement in order to maintain a state of good repair. In addition, two of the chillers require replacement and upgrading, in order to better accommodate current terminal requirements. During the major expansion of EWR in the 1980s, the south electrical substation was added. The two installations are independent of each other and are served by different circuits from PSE&G.

The proposed CHRP project consists of the replacement of the north electrical substation located on the north side of the CHRP. The replacement would support projected additional electrical loads, based on standard Port Authority redundant design. Because power must be maintained at all times, the new substation would be built prior to the decommissioning of the existing substation. The north electrical substation also would have backup power through a new generator, with automated transfer switch capability.

The proposed project also would cross-connect the north and south electrical substations, to provide a degree of redundancy independent of the backup diesel generators. The proposed interface between the new north electrical substation and the existing south electrical substation would provide redundant power in case of disruptions in the PSE&G power grid serving either of the two substations.

In association with the proposed north and south electrical substation cross-connection, the existing hot and chilled water equipment, as well as the two proposed replacement chillers, would need to be re-aligned, to balance the electrical loads for efficient operation under varying operating conditions.

Bids for the contract work would be solicited through a publicly advertised Request for Qualifications, with award to the lowest qualified bidder. Professional, architectural and engineering services would be solicited through public advertisement, with award to the highest technically ranked firm, or through existing competitively procured call-in agreements. The reimbursement agreement with PSE&G would be negotiated, because it owns the utilities that connect to the electrical infrastructure and is therefore the only entity able to perform the work.

The cost for the Terminal B fourth electrical substation is partially recoverable through Passenger Facility Charges (PFCs), with the balance recoverable through the Federal Inspection Service/General Terminal Charge fees. The electrical costs for the CHRP north electrical substation would be fully recoverable through PFCs, and the chiller replacement costs would be recoverable through the CHRP component of the EWR Master Lease.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Sartor 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 design and construction of a fourth electrical substation at Terminal B at Newark Liberty International Airport (EWR), at an estimated total project cost of approximately \$33.3 million, be and it hereby is authorized; and it is further

**RESOLVED**, that a project for the design and construction of a replacement for the north electrical substation at EWR, along with upgrades of two chillers for the Central Heating and Refrigeration Plant (CHRP), at an estimated total project cost of approximately \$25.1 million, be and it hereby is authorized; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract EWR 154.175 for the construction of an additional electrical substation at EWR Terminal B, at a total estimated construction cost of approximately \$18.4 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 award Contract EWR 154.184 for the replacement of the north electrical substation at EWR and two chillers that serve the CHRP, at a total estimated construction cost of \$11.4 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 enter into agreements to retain professional architectural and engineering services to support the design of the additional Terminal B electrical substation, at an estimated cost of approximately \$1.2 million, and to support the design of the north electrical substation, along with upgrades of two chillers for the CHRP, at an estimated cost of approximately \$1.5 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 enter into agreements with Public Service Electric & Gas Company (PSE&G) to reimburse PSE&G for its costs associated with the design and construction work necessary to integrate PSE&G's utility service with the additional Terminal B electrical substation, in an estimated amount of \$1.55 million, and with the replacement north electrical substation and chiller upgrades for the CHRP, in an estimated amount of \$2.55 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 projects, 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 projects shall be subject to the approval of General Counsel or his authorized representative.

## **LAGUARDIA AIRPORT – REHABILITATION OF TAXIWAYS A, M AND ZA – PROJECT AUTHORIZATION**

It was recommended that the Board authorize: (1) a project for the rehabilitation of Taxiways A, M and ZA and associated electrical infrastructure repairs at LaGuardia Airport (LGA), to maintain a state of good repair and comply with current Federal Aviation Administration (FAA) requirements, at an estimated total project cost of \$38 million; and (2) the Executive Director to award Contract LGA-124.165 to construct the work in connection with the foregoing project, at a total estimated construction cost of \$27 million.

Taxiways A, M, and ZA last were rehabilitated in 2002, 1999 and 2000, respectively. The pavement within the area of work is exhibiting surface distress consistent with normal age-related wear and weathering. The pavement and electrical infrastructure within the area of work requires rehabilitation in order to maintain a state of good repair and comply with current FAA requirements.

The proposed project would provide for the milling and asphalt overlay of Taxiways A, M, and ZA, including shoulder and erosion pavements, improvements to storm water drainage, and installation of taxiway centerline lights, clearance bar lights, guidance signs and pavement markings.

Planning work for this project was authorized by the Board at its May 25, 2011 meeting, in connection with the development of an Aeronautical Operations Area pavement rehabilitation program.

Bids would be solicited from an existing pre-qualified list of aeronautical paving contractors developed from a publicly advertised Request for Qualifications.

The cost for the project is expected to be partially recovered through a 2008 Federal Airport Improvement Program grant. The remaining costs would be recovered through the LGA Flight Fee Agreement.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, Sartor, 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 for the rehabilitation of Taxiways A, M, and ZA at LaGuardia Airport (LGA), at an estimated total project cost of \$38 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering and planning, administrative and financial expenses, and a project contingency (if necessary), be and it hereby is authorized; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract LGA-124.165 to construct the work in connection with the foregoing project, at a total estimated construction cost of \$27 million; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

**GEORGE WASHINGTON BRIDGE REHABILITATION PROGRAM –  
REHABILITATION OF CABLE STRANDS IN ANCHORAGES AND  
RELOCATION OF UTILITIES ON MAIN SPAN – PROJECT  
AUTHORIZATIONS**

It was recommended that the Board authorize: (1) a project for the rehabilitation of cable strands in the anchorages at the George Washington Bridge (GWB), at an estimated total project cost of \$33.3 million; (2) a project for the relocation of utilities on the south side of the main span at the GWB, to allow for the future replacement of suspender ropes, at an estimated total project cost of \$13.6 million; and (3) the Executive Director to award: (a) Contract GWB-244.040, for the cable strand rehabilitation work, to the lowest qualified bidder, at an estimated total construction cost of \$20.7 million; and (b) Contract GWB-244.244, for the utility relocation work, to the lowest qualified bidder, at an estimated total construction cost of \$8.4 million.

The GWB, which was constructed in 1931 and modified to include a lower-level roadway in 1962, is a critical link between New Jersey and New York. Currently, many elements of the bridge and its supporting roadway networks are between 50 and 80 years old, are reaching the end of their useful life, and require rehabilitation in order to maintain a state of good repair.

At its meetings of March 26, 2009 and December 8, 2011, the Board authorized the expenditure of a total of \$20 million for planning work related to suspender rope replacement, main cable rehabilitation, the rehabilitation of the anchorage strands and related work at the GWB. Subsequently, staff has been developing concepts to implement the GWB Rehabilitation Program in a phased, coordinated manner. The first two components of the Program – rehabilitation of the cable strands and relocation of utilities – have advanced to the point that authorization of these two projects is being requested.

**Project for the Rehabilitation of Cable Strands in the Anchorages**

The existing cable strands are from the original installation when the GWB was opened in 1931, and the strands must be rehabilitated to maintain a state of good repair. Cable strands transfer the bridge and traffic loads from the suspension span of the GWB to the anchorages. The cable strands are composed of the wires from the main cables. In the anchorages, the individual strands splay into a rectangular pattern, and each of the strands is looped around a cast steel shoe that is anchored by a pair of eyebars. The proposed project includes final design, construction staging and estimating, value engineering and construction for the rehabilitation of the cable strands.

Bids for the contract work would be solicited through a publicly advertised Request for Qualifications, with award to the lowest qualified bidder.

**Project for Utility Relocation on Main Span**

Relocation of utilities on the main span of the GWB is necessary to allow for the replacement of suspender ropes. These utilities are high-voltage power cables and communication cables located between the suspender rope clusters on the underside of the upper level on both the north and the south sides of the bridge. The currently proposed project would include relocation of utilities from the south side to the center of the bridge. The utilities on the

north side would be relocated as part of a future authorization to replace the suspender ropes. This phased approach would allow for the performance of the work in an efficient manner, while maintaining the necessary facility operations.

Bids for the contract work would be solicited through a publicly advertised contract, with award to the lowest qualified bidder.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, Sartor, 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 for the rehabilitation of cable strands in the anchorages at the George Washington Bridge (GWB), at an estimated total project cost of \$33.3 million, be and it hereby is authorized; and it is further

**RESOLVED**, that a project for the relocation of utilities on the south side of the main span at the GWB, to allow for the future replacement of suspender ropes, at an estimated total project cost of \$13.6 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 GWB-244.040 for the rehabilitation of cable strands in the anchorages at the GWB, at a total estimated construction cost of \$20.7 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 award Contract GWB-244.244 for the relocation of utilities on the main span at the GWB, at a total estimated construction cost of \$8.4 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 projects, 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 in connection with the foregoing projects shall be subject to the approval of General Counsel or his authorized representative.

**ONE WORLD TRADE CENTER – CONSTRUCTION OF CORE AND SHELL AND TENANT IMPROVEMENTS ON AN “AS-NEEDED” BASIS – AUTHORIZATION OF WORK-ORDER PROGRAM**

It was recommended that the Board authorize the Executive Director to retain three contractors as part of a work-order program to perform core and shell work and tenant alterations, on an “as-needed” basis, for One World Trade Center (One WTC), for a five-year term, with options to extend for up to two one-year periods, in an aggregate amount not to exceed \$15 million.

Upon completion of base building work at One WTC, and in consultation with the Durst Organization (the Port Authority’s equity partner in the development and lease-up of One WTC), staff determined that it would be desirable to have a work-order program in place, in order to implement relatively minor alterations to the base core and shell and the construction of other minor modifications and improvements requested by tenants in a timely manner, in order to expedite beneficial occupancy by tenants.

The proposed work would include all required labor, material and equipment for the performance of building construction work and tenant fit-out work, including steel work, heating, ventilation and air conditioning, demolition, mechanical, electrical, and plumbing, concrete, flooring, site civil work, site electrical work, carpentry, dry wall and curtain wall construction. The work-order program would be geared towards maximizing competition, by having the contractors compete on individual work orders by submitting lump-sum proposals, while providing the flexibility to award individual work orders to the available contractor with the lowest percentage markup on net cost work, if the scope of work cannot be clearly defined or the necessary contract documents cannot be produced in a timely manner.

The recommended awardees, Holt Construction Corp., John O’Hara Company, Inc., and Hunter Roberts Construction Group LLC & Ferreira Construction Co. Inc., a Joint Venture, were selected pursuant to a competitive, publicly advertised Request for Qualifications process. The proposed three contractors to be awarded contracts were determined to have the necessary qualifications to perform the work and submitted the lowest percentage fees on work to be performed on both a net cost and lump-sum basis.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, Sartor, 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 Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to retain three contractors identified via a competitive selection process – Holt Construction Corp., John O’Hara Company, Inc., and Hunter Roberts Construction Group LLC & Ferreira Construction Co. Inc., a Joint Venture – to perform core and shell work and tenant alterations, on an “as needed” basis, via a work-order program for One World Trade Center, for a five-year term, with options to extend for up to two one-year periods, at an aggregate amount not to exceed \$15 million; and it is further

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

**PORT NEWARK – FAPS, INC. – LEASE L-PN-309 – SUPPLEMENTAL AGREEMENT**

FAPS, Inc (FAPS), formerly known as Foreign Auto Preparation Service, Inc., has been a vehicle-processing tenant at Port Newark since 1956. At its meeting of September 30, 2010, the Board authorized the Executive Director to enter into Lease No. L-PN-309 (Lease) with FAPS for the letting of approximately 104 acres at Port Newark, consisting of three parcels of land and Building 371, through December 2019, for the continued operation of its auto-processing facility. Under the Lease, FAPS provides approximately 35 acres of its leasehold to WWL Vehicle Services Americas, Inc. (WWL) for WWL's auto processing operation under a Processing Agreement.

As a result of FAPS's recent financial difficulties, FAPS will be restructuring its debt, including proposed transactions to secure the commitment of an equity investor and to retire certain loan obligations with its bank. Therefore, it was recommended that the Board authorize the Executive Director to enter into a supplemental agreement to the Lease (Lease Supplement) with FAPS, providing for an option to extend the Lease for an additional five-year period (Extension Period). The exercise of the Extension Period would be conditioned upon: (1) FAPS not being in default under any provision of the Lease; (2) Seacoast Capital Partners II, (Seacoast) or another investor approved by the Port Authority being invested in FAPS; and (3) FAPS's commitment to start and substantially complete capital investments of at least \$1 million in the leasehold prior to the commencement of the Extension Period.

The delivery of the fully executed Lease Supplement would be subject to FAPS's: (1) payment in full of its current arrearages in basic rental under the Lease; (2) replenishment of its Letter of Credit; and (3) release of the Port Authority, with prejudice, from two actions it has brought in the Superior Court of the State of New Jersey. In connection with the Lease Supplement, FAPS would also agree to provide the Port Authority with a General Release and Covenant Not to Sue. The Port Authority's delivery of the fully executed Lease Supplement also would be subject to prior receipt by the Port Authority of fully executed agreements from FAPS with regard to: (1) equity investment in FAPS by Seacoast or another investor approved by the Port Authority; and (2) a settlement with FAPS's bank to retire certain of its loan obligations.

Under the Lease Supplement, FAPS would guarantee an annual minimum throughput of vehicles to be handled by FAPS at its leasehold, and would be assessed a per-vehicle rate for any shortfall. The per-vehicle shortfall rate would be adjusted pursuant to the percentage increase in the Marine Terminal Tariff – Federal Maritime Commission Schedule No. PA-10 (Tariff) wharfage rate for unboxed vehicles. Further, pursuant to the Lease Supplement, the amount of the Annual Vehicle Throughput Rental paid by FAPS under the Lease would be adjusted, with FAPS to be required to guarantee an annual payment amount, which ends on December 31, 2019. The existing thresholds would remain in effect in the Lease through December 31, 2019 and thereafter would be adjusted during the Extension Period.

The Port Authority would be paid a consent fee under the Lease Supplement in connection with its approval of a change of control of FAPS, as defined in the Lease.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson and Steiner voting in favor; Commissioners Sartor and Schuber 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 a supplemental agreement (Lease Supplement) to Lease L-PN-309 with FAPS, Inc. (FAPS) for the continued operation of a vehicle processing facility at Port Newark, to extend the lease for an additional five-year period through December 31, 2024, with the exercise of such extension option to be conditioned on: (1) FAPS not being in default under any provision of the lease; (2) Seacoast Capital Partners II, L.P. (Seacoast) or another investor or purchaser approved by the Port Authority being invested in FAPS; and (3) FAPS's commitment to start and substantially complete capital investments of at least \$1 million in the leasehold prior to the commencement of the extension period; and it is further

**RESOLVED**, that the delivery of a fully executed Lease Supplement by the Port Authority is subject to FAPS's: (1) payment in full of its current arrearages in basic rental under the lease; (2) replenishment of its Letter of Credit; and (3) release of the Port Authority, with prejudice, from two actions it has brought in the Superior Court of the State of New Jersey. In connection with the Lease Supplement, FAPS also would agree to provide the Port Authority with a General Release and Covenant Not to Sue. The Port Authority's delivery of a fully executed Lease Supplement is also conditioned on prior receipt of fully executed agreements from FAPS with regard to: (1) equity investment in FAPS by Seacoast or another investor approved by the Port Authority; and (2) a settlement with FAPS's bank to retire certain of its loan obligations; 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 agreements in connection with the foregoing shall be subject to the approval of the General Counsel or his authorized representative.

**CONFIDENTIAL ITEM**

The Board took action in executive session on a matter concerning the settlement of ongoing litigation that shall remain confidential until such time as the settlement agreement has been fully executed.

Whereupon, the meeting was adjourned.

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Secretary