

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

## **MINUTES**

**Thursday, September 22, 2011**

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, September 22, 2011 at 225 Park Avenue South, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. David Samson, Chairman  
 Hon. Virginia S. Bauer  
 Hon. Raymond M. Pocino  
 Hon. Anthony J. Sartor  
 Hon. William P. Schuber  
 Hon. David S. Steiner

**NEW YORK**

Hon. H. Sidney Holmes III  
 Hon. Jeffrey H. Lynford  
 Hon. Jeffrey A. Moerdler  
 Hon. Scott H. Rechler

Christopher O. Ward, Executive Director  
 William Baroni, Jr., Deputy Executive Director  
 Darrell B. Buchbinder, General Counsel  
 Karen E. Eastman, Secretary

Richard Brazicki, Inspector, Port Authority Police  
 Ernesto L. Butcher, Chief Operating Officer  
 Steven J. Coleman, Deputy Director, Media Relations  
 John C. Denise, Audio Visual Supervisor, Marketing  
 Michael P. DePallo, Director, Rail Transit  
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director  
 John J. Drobny, Director, Security Projects, Chief Operating Office  
 Daniel D. Duffy, Senior Business Manager, Office of the Secretary  
 Diannae C. Ehler, Deputy Director, Tunnels, Bridges and Terminals  
 Michael G. Fabiano, Chief Financial Officer  
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police  
 Michael B. Francois, Chief, Real Estate and Development  
 Gloria T. Frank, Captain, Port Authority Police  
 James P. Graf, Sergeant, Port Authority Police  
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs  
 Linda C. Handel, Deputy Secretary  
 Andrew T. Hawthorne, Director, Marketing  
 Mark D. Hoffer, Director, New Port Initiatives, Port Commerce  
 Kathleen Jones, Sergeant, Port Authority Police  
 Howard G. Kadin, Esq., Law  
 Kirby King, Director, Technology Services  
 Louis J. LaCapra, Chief Administrative Officer  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Conor Lanz, Special Assistant to the Executive Director  
 Richard M. Larrabee, Director, Port Commerce  
 Jamie E. Loftus, Chief, Public and Government Affairs  
 Stephen Magett, Sergeant, Port Authority Police  
 Raymond N. Maniscalco, Sergeant, Port Authority Police  
 Stephen Marinko, Esq., Law  
 Ronald Marsico, Assistant Director, Media Relations  
 Daniel G. McCarron, Comptroller  
 James E. McCoy, Manager, Board Management Support, Office of the Secretary

Lisa McRae, Lieutenant, Port Authority Police  
Patrick O'Reilly, Senior Advisor to the Chairman  
Jeffrey P. Pearse, Deputy Director, Aviation  
Paul A. Pietropaolo, Corporate Information Security Officer, Office of the Secretary  
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  
Desiree Ramos, External Relations Client Manager, Government and Community Affairs  
John F. Ryan, Lieutenant, Port Authority Police  
Brian W. Simon, Director, Government and Community Affairs, New York  
Timothy G. Stickelman, Assistant General Counsel  
Gerald B. Stoughton, Director, Financial Analysis  
Robert A. Sudman, Director, Audit  
David B. Tweedy, Chief, Capital Programs  
Lillian D. Valenti, Director, Procurement  
Michael L. Valletta, Assistant Director, Capital Construction Programs, Tunnels Bridges and Terminals  
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary  
Keith Walcott, Chief, Port Authority Police  
Andrew S. Warshaw, Chief of Staff to the Executive Director  
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director  
Peter J. Zipf, Chief Engineer

Guest:

Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public  
Margaret Donovan, Twin Towers Alliance  
Richard Hughes, Twin Towers Alliance  
Yvonne Garrett Moore, Member of the Public

The public meeting was called to order by Chairman Samson at 1:10 p.m. and ended at 1:36 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 July 28, 2011. 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 July 29, 2011. She reported further that the time for action by the Governors of New York and New Jersey expired at midnight on August 12, 2011.

The Secretary also submitted for approval Minutes of the special meeting of August 19, 2011. She reported that copies of these Minutes were delivered in electronic form to the Governors of New York and New Jersey on August 19, 2011. She reported further that the time for action by the Governors of New York and New Jersey expired at midnight on September 2, 2011.

Whereupon, the Board unanimously approved the Minutes of the meetings of July 28, 2011 and August 19, 2011.

### **Report of Audit Committee**

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on September 8, 2011, which included discussion on matters involving external or internal investigations or audits, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

### **Report of Committee on Capital Programs/Agency Planning**

The Committee on Capital Programs/Agency Planning reported, for information, on matters discussed in public session at its meeting on September 22, 2011, which included discussion of an item to authorize planning for the rehabilitation of the Palisades Interstate Parkway Helix approach at the George Washington Bridge, an item to authorize planning for the rehabilitation of the two runways at Stewart International Airport, and discussion of an agreement to authorize professional services to perform an airport system capacity planning study, and the report was received.

### **Report of Security Committee**

The Security Committee reported, for information, on matters discussed in executive session at its meeting on September 22, 2011, which included discussion of matters involving public safety or law enforcement, and the report was received.

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

The Committee on Operations reported, for information, on matters discussed and action taken in public session at its meeting on September 22, 2011, which included discussion of an agreement for the acquisition of property located in Hazlet Township, New Jersey, as part of the Hudson-Raritan Estuary Resources Program, and an increase to the scope and authorization for a multi-facility security guard services contract, 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 session at its meeting on September 7, 2011, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

The World Trade Center Redevelopment Subcommittee also reported, for information, on matters discussed in public and executive sessions at its meeting on September 22, 2011, which included discussion of several contracts and agreements in connection with the continued development of the World Trade Center site, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and matters involving external or internal investigations or audits, and the report was received.

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

In view of the absence of a quorum for the Board to act on a matter to be considered at its meeting on September 22, 2011, 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 a matter included on the agenda for the Board meeting. A copy of the minutes of the special meeting of the Committee on Operations held on September 22, 2011 is included with these minutes.

### **Report of Nominating Committee**

During the course of the meeting, the Nominating Committee submitted its report, and the report was received and is included with these minutes.

## **ELECTION OF OFFICER**

Chairman Samson announced that, in accordance with the provisions of the By-Laws, an election was in order to fill the vacancy in the position of Vice-Chairman caused by the departure of Commissioner Stanley E. Grayson.

Commissioner Sartor, as Chair of the Nominating Committee, submitted the following report:

“On behalf of the Nominating Committee, I desire to report that at its meeting held earlier today, in accordance with the provisions of Article VII of the By-Laws, the Committee, by unanimous action, submits the nomination of Commissioner Scott H. Rechler as Vice-Chairman of The Port Authority of New York and New Jersey.”

Pursuant to the foregoing report, Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting in favor, Scott H. Rechler was unanimously elected as Vice-Chairman of the Port Authority. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**STEWART INTERNATIONAL AIRPORT – REHABILITATION OF RUNWAYS 9-27 AND 16-34 – PLANNING AUTHORIZATION**

It was recommended that the Board authorize planning and engineering work for the rehabilitation of Runway 9-27 and Runway 16-34 at Stewart International Airport (SWF) in order to maintain a state of good repair, at an estimated cost of \$2.5 million.

Runway 9-27 is 11,817 feet long and 150 feet wide, and Runway 16-34 is 6,004 feet long and 150 feet wide. Together, they handle over 47,000 aircraft operations per year. Runways 9-27 and 16-34 last were rehabilitated in 2001 and 1994, respectively. Pavement Management Program inspections have identified normal wear and weathering in the runway surfaces, and in order to maintain a state of good repair, rehabilitation of the runways was recommended.

The rehabilitation project also would include electrical system rehabilitation and upgrades, in conformance with current Federal Aviation Administration (FAA) standards.

The proposed planning effort would include functional planning, conceptual design and cost estimating, as required, prior to seeking project authorization. Physical site surveying, subsurface investigations for pavements and electrical system design would be included, as necessary, in order to define project scope limits, lighting, FAA navigational aids and updates or replacements required for regulatory compliance, and for any operational requirements.

Reimbursement for eligible project costs would be pursued through Federal Airport Improvement Program funding.

The rehabilitation of both runways would restore these airside pavements to a state of good repair, which is necessary to extend their useful life and ensure continued safe aircraft operations.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 planning and engineering work for the rehabilitation of Runway 9-27 and Runway 16-34 at Stewart International Airport, in order to maintain the runways in a state of good repair, at an estimated cost of \$2.5 million, be and it hereby is authorized; and it is further

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

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

**GEORGE WASHINGTON BRIDGE – REHABILITATION OF PALISADES INTERSTATE PARKWAY HELIX – PLANNING AUTHORIZATION**

It was recommended that the Board authorize planning and engineering work, in an estimated amount of \$2.25 million, related to the development of preliminary concepts for the structural rehabilitation and/or replacement of the Palisades Interstate Parkway (PIP) Helix approach to the George Washington Bridge (GWB).

The GWB, which opened in 1931, is a critical link between New York and New Jersey. The Port Authority expanded the New Jersey approach in the 1940s, when it built the PIP Helix as a connection to the GWB. As part of the Lower Level Expansion to the GWB, further modifications to this structure were completed in the late 1950s.

The most recent repair work was a rehabilitation project performed in the late 1990s, which addressed priority repairs at that time and partially replaced the concrete road surface, in order to extend the useful life of the PIP Helix by 12 to 15 years. To maintain a state of good repair to the GWB facility, and to avoid closures and delays while providing safe passage to the traveling public, the proposed authorization would support planning for the future rehabilitation or replacement of the PIP Helix, as well as upgrading the structure to current seismic standards, and would include a life-cycle analysis to determine the most cost-effective option.

The scope of work under the proposed planning authorization would include: evaluating the condition of the existing structure, along with developing alternatives for repairing, rehabilitating, or replacing the existing structure; evaluating strategies to minimize the operational impacts to the GWB during construction; developing conceptual design drawings; and estimating construction costs and related life-cycle costs for each alternative.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 planning and engineering work related to the development of preliminary concepts for the structural rehabilitation and/or replacement of the Palisades Interstate Parkway Helix approach to the George Washington Bridge, in an estimated amount of \$2.25 million, be and it hereby is authorized; and it is further

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

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

**NEWARK LIBERTY INTERNATIONAL AIRPORT – AIRTRAIN NEWARK –  
GUIDEWAY MID-LIFE PARTIAL REHABILITATION – SUPPLEMENTAL  
AGREEMENT NO. 6 UNDER CONTRACT EWR-305.502 WITH BOMBARDIER  
TRANSPORTATION (HOLDINGS) USA, INC.**

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement to the existing operations and maintenance (O&M) contract with Bombardier Transportation (Holdings) USA, Inc. (Bombardier), for the AirTrain Newark system, at an estimated amount of \$2.97 million, inclusive of a six-percent allowance for extra work, if necessary, for the rehabilitation of the existing 13.2-kilovolt (kV) electrical feeder system along the guideway of AirTrain Newark's Northeast Corridor (NEC) Extension, to maintain a state of good repair.

The O&M contract for the AirTrain Newark system requires Bombardier to undertake rehabilitation of various system components, based on their design lives, at an additional cost to the Port Authority.

The AirTrain Newark system began service in 1996 and was extended to serve the NEC in October 2001. Prior mid-life rehabilitations were authorized in September 2002, February 2005, October 2006, May 2009 and April 2011 on equipment that required rehabilitation based on its design life, including the AirTrain vehicle subsystems, control and communications equipment, power and signal rails, the NEC Extension train vehicle bodies and subsystems, control and communications equipment, power distribution equipment and the power and signal rails for the NEC Extension, and replacement of vehicle heating, ventilation and air conditioning systems.

The AirTrain Newark 13.2kV electrical feeder system includes a mounting system that attaches to the guideway box beams, as well as cables and cable splices. Recent inspections of the NEC Extension portion of the 13.2kV electrical feeder system have identified the need for rehabilitation of this asset. The proposed authorization would provide for the rehabilitation of the NEC Extension 13.2kV electrical feeder system and its guideway mounting system to maintain a state of good repair, and would ensure continued AirTrain Newark service to the NEC RailLink station.

Costs associated with this expenditure are fully recoverable through the Monorail Fee component of the Newark Liberty International Airport Master Lease.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 enter into a supplemental agreement with Bombardier Transportation (Holdings) USA, Inc., at an estimated amount of \$2.97 million, inclusive of a six-percent allowance for extra work, if necessary, for the rehabilitation of the 13.2-kilovolt electrical feeder system along the guideway of the AirTrain Newark Northeast Corridor Extension; and it is further

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

**PORT NEWARK – HARBOR FREIGHT TRANSPORT CORP. – LEASE L-PN-298 –  
NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with Harbor Freight Transport Corp. (Harbor Freight) for the letting of approximately 12.71 acres at Port Newark, consisting of warehouse space and approximately 6.5 acres of adjacent open area, for a 12-year term, commencing October 1, 2011 and expiring September 30, 2023, for Harbor Freight's continued handling of overweight and distressed containers and over-dimensional cargoes.

Harbor Freight has been a tenant at the Port of New York and New Jersey since 1982 and currently leases Building 301 and approximately 1.2 acres of open area at Port Newark under Lease L-PN-239 through October 31, 2012. In order to allow for future expansion of its operations, Harbor Freight would continue to lease Building 301 and the 1.2 acres of open area, as well as an additional 5.3 acres of abutting and contiguous paved and fenced open area at Port Newark. Over the term of the proposed lease agreement, the Port Authority would receive a total aggregate rental of approximately \$17.9 million. In addition, Harbor Freight would invest approximately \$750,000 in capital improvements to the premises to install solar panels on the existing roof of Building 301 and perform any work related to such installation, and for the overall improvement of Building 301.

The proposed lease agreement would include a mutual right of termination, without cause, on the sixth anniversary of the lease and every anniversary date thereafter, with one year's prior written notice. In addition, Harbor Freight would have the right to terminate the lease should it be required to repair or replace the roof of Building 301 at a cost greater than a specified amount. Harbor Freight would have the right to sublease, upon the written consent of the Port Authority, in which case the Port Authority would receive a percentage of any incremental revenue above the rent under the lease. Should the Port Authority consent to an assignment of the lease, the Port Authority would receive an assignment consent fee, based on a percentage of the present value of the total rental payments over the remaining term of the lease.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 enter into a lease agreement with Harbor Freight Transport Corp. for the letting of approximately 12.71 acres at Port Newark, consisting of warehouse space and approximately 6.5 acres of adjacent open area, for a 12-year term, commencing October 1, 2011 and expiring September 30, 2023, 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 agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**ALL AIRPORTS – AUTHORIZATION TO ENTER INTO REIMBURSEMENT AGREEMENTS WITH THE FEDERAL AVIATION ADMINISTRATION**

It was recommended that the Board authorize the Executive Director to enter into agreements with the Federal Aviation Administration (FAA), on an as-needed basis, to provide for reimbursement by the Port Authority to the FAA for costs and expenses associated with work performed on the Port Authority's behalf in connection with capital and operating improvement projects at John F. Kennedy International, LaGuardia, Newark Liberty International, Stewart International and Teterboro Airports.

Port Authority airfield improvement projects routinely affect FAA navigational and communication systems and infrastructure. When Port Authority projects affect FAA facilities, the FAA requires reimbursement for the costs that it incurs in order to assess the design and implementation of the proposed improvement.

The Port Authority has entered into master reimbursement agreements with the FAA for each Port Authority airport since 2001. The benefits of these agreements include gaining the early involvement of the FAA in reviewing Port Authority projects that affect FAA systems, ensuring participation of FAA technical experts in projects involving navigational aids, and creating a stronger partnership with FAA staff in advancing mutually beneficial projects in a manner that minimizes impacts on airport operations. In June 2001, August 2004, and June 2007, the Board authorized the Executive Director to enter into reimbursement agreements with the FAA, in total amounts of \$3 million, \$2.5 million, and \$3 million, respectively, which allowed staff to enter into project-specific amendments, as contemplated by the agreements. The agreement authorized in June 2007 was for a five-year term, whereby the Port Authority agreed to reimburse the FAA for Port Authority projects that affected FAA facilities, in an actual amount of approximately \$1.2 million. Although historically the Port Authority has entered into master agreements covering each of the Port Authority's airports, subsequent to the execution of the last agreement, the FAA instituted a requirement that separate reimbursement agreements be executed for each project.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 enter into agreements with the Federal Aviation Administration (FAA), for work to occur at John F. Kennedy International, LaGuardia, Newark Liberty International, Stewart International and Teterboro Airports, on an as-needed basis, to provide for reimbursement by the Port Authority to the FAA for costs and expenses associated with work performed on the Port Authority's behalf in connection with capital and operating improvement projects; and it is further

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

**WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR HUB PLAZA CONSTRUCTION AND INCREASES IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION MANAGEMENT SERVICES**

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Padilla Construction Services, Inc., for Hub Plaza construction work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$8,150,000, inclusive of extra work and clause work; (2) increase, by an estimated amount of \$450,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and (3) increase, by an estimated amount of \$500,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center complex prior to September 11, 2011, and ensure the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed contract includes waterproofing, fill concrete, installation of granite pavers and benches, tree pits with trees and plantings, an irrigation and drainage system, lighting and flag poles for approximately 37,000 square feet of the WTC Hub Plaza, which will surround the Oculus structure and is located between Towers 2 and 3 on Church and Greenwich Streets.

The recommended award is to the lowest-price proposer, Padilla Construction Services, Inc., which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub trade contract was procured pursuant to the procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. Through June 2011, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$450,000, a total of \$403.75 million will have been authorized. Approximately \$329.2 million of that amount has been expended to date.

On July 23, 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathub. Through subsequent discussions with Tishman/Turner, the procurement strategy was

modified to procure the construction trade packages individually, in order to best position the agency in attaining competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner would provide for the development, management and supervision of this construction trade package. Including the requested increase of \$500,000, a total of \$130.7 million will have been authorized. Approximately \$36.7 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Padilla Construction Services, Inc., for Hub Plaza construction work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$8,150,000, inclusive of extra work and clause 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, by an estimated amount of \$450,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; 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, by an estimated amount of \$500,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project; 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 RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR AN ELECTRICAL SYSTEM**

It was recommended that the Board authorize the Executive Director to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, with Five Star Electric Corporation (Five Star) for an electrical system associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of \$16,583,400, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking programs.

Via several actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site, at a total amount of \$1.426 billion.

On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount includes the proposed electrical system construction trade contract.

The scope of work under the proposed trade contract includes furnishing and installing a complete electrical system, including distribution equipment panels, meters, switchgear, conduit, boxes, wire, cable, heat-trace cabling systems, motor connections, lighting and lighting connections, testing and temporary electrical services. The electrical system would be installed in and serve the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2 and 3, and under the New York City Transit No. 1 Subway Line. The proposed contract includes a warranty for a period of one year, commencing on the date of formal acceptance or through December 31, 2016, whichever time period is later.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and Five Star was the lowest qualified bidder. The proposed trade contract with Five Star would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entity, World Trade Center Retail LLC, to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, with Five Star Electric Corporation for an electrical system associated with the World Trade Center site retail and parking areas, at an estimated total cost of \$16,583,400, inclusive of an eight-percent allowance for extra work; and it is further

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

**WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR MASONRY PARTITIONS**

It was recommended that the Board authorize the Executive Director to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, with Navillus Tile, Inc. d/b/a Navillus Contracting (Navillus) for the fabrication and installation of all masonry partitions associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of \$6,355,800, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking programs.

Via several actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site, at a total amount of \$1.426 billion.

On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount includes the proposed masonry partitions trade contract.

The scope of work under this proposed contract includes furnishing and installing all Concrete Masonry Unit walls of varying thickness, including associated fireproofing, grouting, reinforcement, lintels, and seismic bracing, as necessary to satisfy requirements for the WTC retail and parking projects. This work would be installed in the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2, 3, and 4, and under the New York City Transit No. 1 Subway Line.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and Navillus was the lowest qualified bidder. The proposed trade contract with Navillus would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entity, World Trade Center Retail LLC, to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, with Navillus Tile, Inc. d/b/a Navillus Contracting for the fabrication and installation of all masonry partitions associated with the World Trade Center site retail and parking areas, at an estimated total cost of \$6,355,800, inclusive of an eight-percent allowance for extra work; and it is further

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

**WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR VERTICAL TRANSPORTATION**

It was recommended that the Board authorize the Executive Director to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, with Schindler Elevator Corporation (Schindler) for vertical transportation associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of \$7,304,040, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking programs.

Via several actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site, at a total amount of \$1.426 billion.

On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount is inclusive of the proposed vertical transportation construction trade contract.

The scope of work under the proposed trade contract includes the furnishing and installation of four elevators and ten escalators servicing public retail spaces both above grade and below grade at Towers 3 and 4, and at Tower 1 servicing the East/West Corridor below. Passenger elevators to be installed at the Towers 3 and 4 areas include scenic glass hydraulic and geared traction units. A hydraulic service elevator will serve the East/West Corridor area.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and Schindler was the lowest qualified bidder. The proposed trade contract with Schindler would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entity, WTC Retail LLC, to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, with Schindler Elevator Corporation for vertical transportation servicing the World Trade Center site retail and parking areas located both above grade and below grade at Towers 3 and 4, and at Tower 1 servicing the East/West Corridor area below, at an estimated total cost of \$7,304,040, inclusive of an eight-percent allowance for extra work; and it is further

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

**WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – GREENWICH STREET CORRIDOR IMPROVEMENTS – CONTRACT WTC-224.545 – AUTHORIZATION OF SUPPLEMENTAL AGREEMENT NO. 2 WITH TUTOR PERINI CORPORATION**

In connection with the World Trade Center (WTC) Transportation Hub (WTC Hub) Project, it was recommended that the Board authorize the Executive Director to enter into Supplemental Agreement No. 2 to Contract WTC-224.545 with Tutor Perini Corporation (Tutor Perini) for: (1) the performance of additional construction improvements in the Greenwich Street Corridor, as outlined herein, in support of the WTC Hub Project and on behalf of other Port Authority projects and external stakeholder projects, at a total negotiated amount of \$39,356,483, inclusive of an eight-percent allowance for extra work (if necessary); and (2) the establishment of a clause work allowance under the Port Authority's existing contract with Tutor Perini to include such provisions as compensation for premium time, emergency delays and idle time for workers and equipment, at an estimated amount of \$2.1 million.

In April 2009, the Board concurred with staff's recommendation to modify the construction management/general contractor (CM/GC) agreement with Phoenix Constructors (Phoenix), a Joint Venture of Fluor, Slattery Skanska, Granite Construction Northeast, Inc., and Bovis Lend Lease, to provide for the completion of Phoenix's current work and to enable the Port Authority to competitively award future work. To restore the construction management capability that was reduced by the modification to the Phoenix contract, the Board authorized the award of an agreement for construction management services for the WTC Hub Project to Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), in July 2009.

At its meeting of August 13, 2009, the Board authorized the Executive Director to award Contract WTC-224.545 to Tutor Perini Corporation to construct the permanent underpinning of the Metropolitan Transportation Authority's (MTA) New York City Transit No. 1 Subway Line (Subway Line), one of the projects associated with the development of the Greenwich Street Corridor identified as critical to meet the current schedule and sequence of activities in connection with the redevelopment of the WTC site. The scope of work included rock removal below the Oculus area between Towers 2 and 3, excavation for the installation of "super-columns" to support the PATH Hall roof and Subway Line, and excavation under the Subway Line and underpinning in support of the "top-down" construction method described in the October 2008 "World Trade Center Report: A Roadmap Forward."

On February 3, 2010, the Board authorized a supplemental agreement under the Tutor Perini contract to complete work formerly assigned to Phoenix. The scope of work for that agreement included removal of soil in the East Bathtub, demolition of the remaining Hudson and Manhattan Railroad (H&M) structure, installation of tiebacks, rock anchors, tie-downs and bracing at the H&M structure, steel bracing in support of the "top-down" construction, and electrical and safety maintenance for the Subway Line.

Since that time, further scope changes have been identified to accommodate the needs of Port Authority projects and external stakeholders and the delivery of the Memorial Plaza by September 11, 2011. These changes (which have also increased contractor general condition expenses) include: modifications to the emergency exhaust ventilation system for the MTA's Cortlandt Street Station to comply with the National Fire Protection Code; demolition and

re-construction of a protective liner wall for the Performing Arts Center, including installation of 54 new mini-piles; demolition and re-engineering of a Transit Hall invert slab to comply with the MTA's requirements for construction of the Cortlandt Street Station; strengthening of the existing Greenwich Street Corridor liner wall; and re-sequencing of work and extension of scheduled construction time due to changes in WTC site redevelopment logistics.

The costs associated with the proposed supplemental agreement would be shared among the stakeholders that benefit from this work, including the MTA, Lower Manhattan Development Corporation and the Memorial Foundation.

Additionally, the proposed supplemental agreement would provide for the establishment of a clause work allowance, which previously was included under the general conditions of the Port Authority's CM/GC agreement with Phoenix. Clause work provisions are contained in Tutor Perini's contract documents, and include such items as compensation for premium time, emergency delays, idle time for workers and equipment, and other costs as set forth in the contract.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, 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 enter into Supplemental Agreement No. 2 to Contract WTC-224.545 with Tutor Perini Corporation (Tutor Perini) for: (1) the performance of additional construction improvements in the Greenwich Street Corridor, as outlined to the Board, in support of the World Trade Center Transportation Hub Project and on behalf of other Port Authority projects and external stakeholder projects at the World Trade Center site, at a total negotiated amount of \$39,356,483, inclusive of an eight-percent allowance for extra work (if necessary); and (2) the establishment of a clause work allowance under the Port Authority's existing contract with Tutor Perini to include such provisions as compensation for premium time, emergency delays and idle time for workers and equipment, at an estimated amount of \$2.1 million; and it is further

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

Whereupon, the meeting was adjourned.

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Secretary