

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL, INTERIM MEETING
Thursday, July 28, 2011**

One World Trade Center (One WTC) – Implementation of Certain Design and Construction Work Under Existing Contracts for One WTC and on Behalf of Various World Trade Center Site Projects 3

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**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL, INTERIM MEETING
225 Park Avenue South
New York, NY
Thursday, July 28, 2011**

PRESENT:

Hon. David Samson, Chair
Hon. Virginia S. Bauer
Hon. H. Sidney Holmes III
Hon. Jeffrey H. Lynford
Hon. Jeffrey A. Moerdler
Hon. Raymond M. Pocino
Hon. Scott H. Rechler
Hon. Anthony J. Sartor
Hon. William P. Schuber
Hon. David S. Steiner
Committee Members

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

Susan M. Baer, Director, Aviation
Ernesto L. Butcher, Chief Operating Officer
Steven J. Coleman, Assistant Director, Media Relations
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
Michael G. Fabiano, Chief Financial Officer
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Michael B. Francois, Chief, Real Estate and Development
Richard Friedman, Manager, Special Projects, Office of Environmental and Energy Programs
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
Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs
Howard G. Kadin, Esq., Law
James A. Keane, General Manager, Inspection and Safety-Risk Management, Operations Services
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 Marinko, Esq., Law
Ronald Marsico, Assistant Director, Media Relations
Daniel G. McCarron, Comptroller
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Patrick O'Reilly, Advisor to the Chairman
Paul A. Pietropaolo, Corporate Information Security Officer, Office of the Secretary
Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary
Desiree Ramos, External Relations Client Manager, Government and Community Affairs
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
Ralph Tragale, Assistant Director, Public Affairs, Aviation
David B. Tweedy, Chief, Capital Programs
Lillian D. Valenti, Director, Procurement
Sheree Van Duynes, Manager, Policies and Protocol, Office of the Secretary
Philippe Visser, Director, World Trade Center Redevelopment
Andrew S. Warshaw, Chief of Staff to the Executive Director
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
William Young, Client Manager, Government and Community Affairs
Peter J. Zipf, Chief Engineer

Guests:

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
John Francis McNeece, Jr., Member of the Public

In view of the fact that there would be an insufficient number of affirmative votes cast to constitute a quorum with respect to a matter to be considered at today's Board meeting, the Secretary reported that, pursuant to the Board's resolution of December 15, 1994, a special, interim meeting of the Committee on Operations was called to permit the Committee to act on this item for and on behalf of the Board.

The meeting was called to order in public session by Chairman Samson at 1:49 p.m. and ended at 2:14 p.m.

ONE WORLD TRADE CENTER (ONE WTC) – IMPLEMENTATION OF CERTAIN DESIGN AND CONSTRUCTION WORK UNDER EXISTING CONTRACTS FOR ONE WTC AND ON BEHALF OF VARIOUS WORLD TRADE CENTER SITE PROJECTS

It was recommended that the Board authorize: (1) an aggregate increase of \$45.2 million to several One World Trade Center (One WTC) construction trade contracts for work performed for One WTC and other World Trade Center (WTC) site projects, inclusive of construction management services provided by Tishman Construction Corporation to support the work; (2) an aggregate increase of \$2.65 million to various design consultant contracts for work performed for other WTC site projects; and (3) 1 World Trade Center LLC (1 WTC LLC) to allocate these additional funds in connection with the effectuation of the work on other WTC site projects, on an as-needed basis, as required among the various WTC site stakeholders involved, including increases in design and construction trade contracts.

In order to advance various projects at the WTC site, it is often more practical and cost-effective to utilize existing construction trade contractors already on site to implement work on behalf of adjacent projects. The amounts requested herein, which are available within existing authorized budgets of the various WTC site projects, would accommodate the following: the implementation of the revised power supply design for the WTC site; tenant, common area and building management-related improvements for One WTC; and work for various WTC site stakeholders, such as construction of an access/egress stairway on behalf of the WTC Transportation Hub Project. These increases are necessary because most of the trade contracts were awarded prior to the following: the decision to relocate the permanent primary power supply facility (Power Distribution Center (PDC)) from Tower 2 to One WTC; The Durst Organization's (Durst) involvement in the One WTC Project; and the completion of final design of adjacent projects.

Due to uncertainty regarding the construction schedule for Tower 2, at its October 22, 2009 meeting, the Board authorized certain actions to effectuate an alternative power supply design, in order to maintain current schedules for the public projects at the WTC site. Design modifications to the PDC required changes to be made to the mechanical, electrical, and plumbing systems of One WTC, as well as for other WTC site projects. The redesign provided for the location of primary switchgear equipment in the subgrade of One WTC, which equipment originally was planned to be located in the East Bath tub, beneath Tower 2. Under the revised design, primary switchgear equipment and related infrastructure to be located in One WTC would distribute power directly from the Consolidated Edison Company of New York to One WTC, and then to secondary switchgear equipment located beneath the WTC Memorial, Central Chiller Plant and the WTC Transportation Hub. At that time, the Board was advised that future authorizations would be required for the installation of the equipment, as well as associated mechanical, electrical, plumbing, structural, and architectural work associated with the redesign. Approximately 50 percent of the costs associated with the proposed increase would provide for the implementation of the PDC redesign effort.

At its meetings of August 5, 2010 and May 25, 2011, the Board authorized a transaction between the Port Authority and Durst, in which Durst would become a joint venture partner with the Port Authority in the entity that indirectly owns the lessee's net leasehold interest in the One WTC building, and participate and advise in the construction, financing, leasing, management and operation of One WTC. Over the past several months, certain recommendations to

accommodate tenant requests, as well as changes to attract new tenants and to ensure that building management and operations are effective and efficient, have been agreed upon by Durst and Port Authority staff, which changes would be effectuated through the proposed authorization. These improvements would be funded through the authorized tenant improvements budget for One WTC.

In addition, other WTC site stakeholders have requested One WTC design and construction work, within the building envelope, on their behalf. To accommodate these design changes, revised and additional scope of work to the existing trade contracts is required in order to coordinate the necessary work. Such work includes modifications to accommodate tenant requests, increased slab loading, internal elevators, and signage.

This proposed authorization would help to maintain the current construction schedule at the WTC site.

The affected construction trade contracts are as follows:

Contractor	Scope of Work	Amount
Airflex Industrial Incorporated	Ornamental Metal	\$394,618
American Architectural Incorporated	Ornamental Metal	\$90,000
Asbestolith Manufacturing Corporation	Fluid Applied Flooring	\$45,166
ASM Mechanical Systems	AG Ventilation	\$102,711
Atlantic Hoisting & Scaffolding, LLC	Hoisting	\$2,967,220
Bauerschmidt & Sons, Inc.	Millwork	\$74,077
Benson Industries, LLC	Curtain Wall	\$352,450
Cardoza Plumbing Corporation	BG Plumbing	\$197,968
Collavino Construction	Concrete	\$4,621,090
Component Assembly Systems	Carpentry	\$120,382
Curtis Partition Corporation	Carpentry	\$100,822
DCM Erectors Inc.	Structural Steel	\$2,219,719
Firecom JV	Fire Alarm	\$41,666
Five Star Electric AG	AG Electric	\$14,482,085
Five Star Electric BG	BG Electric	\$1,363,694
FW Sims Incorporated BG	BG HAC	\$1,295,511
FW Sims Incorporated AG	AG HAC	\$1,982,366
Global Overhead Door	Overhead Doors	\$105,000
Heritage Mechanical	BG Ventilation	\$867,600
Hillside Ironworks, Inc.	Miscellaneous Iron	\$1,231,830
Ingersoll Rand Security Technologies	Security	\$669,948
The Jobin Organization, Inc.	Roofing and Waterproofing	\$31,184
Long Island Fireproof Door	Doors and Hardware	\$109,665
Megrant Corporation	HAC	\$385,194
Northbrook Contracting Corporation	Temporary Roads	\$64,020
Port Morris Tile & Marble Corporation	Stone and Tile	\$174,000
Rad and D'Aprile, Inc. BG	BG Masonry	\$315,454
Rad and D'Aprile, Inc. AG	AG Masonry	\$100,000
Rael Automatic Sprinkler BG	BG Fire Protection	\$245,199
Rael Automatic Sprinkler AG	AG Fire Protection	\$316,495

Contractor	Scope of Work	Amount
Signs and Decal Corporation	Signage	\$319,932
Skyline Steel Corporation	Electrical Closet Lining	\$10,000
Spectrum Painting	Painting	\$560,000
TAC- Schneider Electric Buildings America, Inc.	Building Management System	\$1,009,932
ThyssenKrupp Elevator	Elevators and Escalators	\$3,232,109
WDF, Incorporated	AG Plumbing	\$43,344
Wolkow Braker Roofing Corporation	BG Waterproofing	\$51,603
Total		\$40,294,051

The affected design consultant contracts are as follows:

Consultant	Amount
Claude Engle	\$30,000
Ducibella, Venter & Santore	\$21,000
Jaros, Baum & Bolles	\$1,088,000
Pentagram Design	\$53,000
Rowan Williams Davies & Irwin	\$237,000
Schlaich Bergerman & Partner	\$38,000
Skidmore, Owings & Merrill	\$680,000
WSP Cantor Seinuk	\$368,000
Peter Walker & Partners	\$80,000
Weidlinger Associates Incorporated	\$25,000
Israel Berger & Associates	\$10,000
Leslie E. Roberts Associates	\$10,000
Code Consultants Incorporated	\$10,000
Total	\$2,650,000

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Holmes, Lynford, Moerdler, Pocino, Rechler, Schuber and Steiner voting in favor; Commissioners Bauer, Samson 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 Committee being present.

RESOLVED, that an increase of \$45.2 million to several construction trade contracts for One World Trade Center work and for work performed for other World Trade Center (WTC) site projects, including permanent power relocation and tenant modifications, inclusive of construction management services provided by Tishman Construction Corporation, be and it hereby is authorized; and it is further

RESOLVED, that an increase of \$2.65 million to various design consultant contracts, for work performed for other WTC site projects and for tenant modifications, be and it hereby is authorized; and it is further

RESOLVED, that 1 World Trade Center LLC be and it hereby is authorized to allocate the aforementioned additional funds to effectuate the foregoing in connection with the work on other WTC site projects, on an as-needed basis, as required among the various WTC site stakeholders involved, including increases in design and construction trade contracts; 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.

Whereupon, the meeting was adjourned.

Secretary