

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, March 29, 2007

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, March 29, 2007
at 225 Park Avenue South, City, County and State of New York**

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Angelo J. Genova
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

Hon. Charles A. Gargano, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. David S. Mack
 Hon. Henry R. Silverman

Anthony E. Shorris, Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Linda K. Bentz, Assistant Director, Planning
 A. Paul Blanco, Chief Financial Officer
 Ernesto L. Butcher, Deputy Executive Director, Operations
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public and Government Affairs
 John D'Amore, Deputy Director, Technology Services
 William R. DeCota, Director, Aviation
 Michael P. DePallo, Director, Rail Transit
 John C. Denise, Supervisor, Audio Visual/Photography, Public and Government Affairs
 Pasquale DiFulco, Senior Public Information Officer, Public and Government Affairs
 Michael Dombrowski, Cinematographer, Public and Government Affairs
 John J. Drobny, Director, Project Management
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 Ziomara Y. Foster, Senior Administrator, Office of the Secretary
 James P. Fox, First Deputy Executive Director
 Michael B. Francois, Director, Development
 William H. Goldstein, Deputy Executive Director, Capital Programs
 Linda C. Handel, Assistant Secretary
 Alan H. Hicks, Senior Public Information Officer, Public and Government Affairs
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Louis J. LaCapra, Chief Administrative Officer
 Marc LaVorgna, Assistant Director, Media Relations, Public and Government Affairs
 Timothy Lizura, Deputy Director, Development
 Dennis Lombardi, Assistant Director, Port Operations, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Michael G. Massiah, Director, Management and Budget
 John J. McCarthy, Director, Public and Government Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Sanjay Mody, Advisor to the Chairman
 Anne Marie C. Mulligan, Treasurer
 Lynn A. Nerney, Senior Administrator, Office of the Secretary

Tony F. Oliver, Senior Marketing Analyst, Public and Government Affairs
Antoinette Peterson, Associate Board Management and Support Specialist, Office of the Secretary
Steven P. Plate, Director, World Trade Center Construction
Andrew Rachlin, Special Assistant to the Executive Director
Stephen Sigmund, Chief, Public and Government Affairs
Gerald B. Stoughton, General Manager of Forecasting and Capital Planning, Management and Budget
Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary

Guests:

Sonia Frontera, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 1:07 p.m. and ended at 1:27 p.m. Commissioner Mack was not present for the voting in public session. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of February 22, 2007. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on February 22, 2007, which included discussion of matters involving external or internal investigations or audits, 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 March 29, 2007, which included matters involving ongoing negotiations or reviews of contracts or proposals, matters related to the development of future Port Authority facilities or projects and the redevelopment of existing facilities or projects where public disclosure may impact property values, 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 Security Subcommittee

The Security Subcommittee reported, for information, on matters discussed in executive session at its meeting on March 29, 2007, which included matters involving public safety or law enforcement and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on certain matters discussed in public session at its meeting on March 29, 2007, which included the award of a contract for the operation of the E-ZPass New York Customer Service Center and an update on the Port Authority Trans-Hudson Rail Car and Signal System Replacement Program, as well as matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on certain matters discussed in public session at its meeting on March 29, 2007, which included an update on enhancements to Runway Safety Areas at the Port Authority's airports and a contract for the replacement of pavement at the George Washington Bridge, as well as matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Executive Director Report

The Executive Director provided a status report on various projects and accomplishments in each of our core business areas.

Staff Reports

Presentations were made by staff on: John F. Kennedy International Airport – Design and Construction of an Engineered Material Arresting System for Runway 22L – Project Authorization and Award of Contract, Newark Liberty International Airport – Design and Construction of an Engineered Material Arresting System for Runway 29 – Project Authorization and Award of Contract, Teterboro Airport – Design and Construction of an Engineered Material Arresting System for Runway 19 and Relocation of Redneck Avenue – Project Authorization and Award of Contract, and Trans-Hudson Express (THE) Tunnel Project – Memorandum of Understanding with New Jersey Transit Corporation, and World Trade Center Site – Freedom Tower Project – Authorization to Award Construction Contracts.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – DESIGN AND CONSTRUCTION
OF AN ENGINEERED MATERIAL ARRESTING SYSTEM FOR RUNWAY 22L
– PROJECT AUTHORIZATION AND AWARD OF CONTRACT**

It was recommended that the Board authorize: (1) a project for the design and construction of an Engineered Material Arresting System (EMAS) for Runway 22L at John F. Kennedy International Airport (JFK), at an estimated total project cost of \$19 million; and (2) the Executive Director to: (a) award construction Contract JFK-164.005 to JFK Arrestor Bed Joint Venture, at an estimated construction cost of \$16.7 million; (b) enter into an agreement with the Federal Aviation Administration (FAA) for the Port Authority to provide reimbursement of costs associated with the FAA's review of project designs required for completion of the project, at an estimated cost of \$200,000; and (c) enter into all other contracts and agreements required to effectuate the project, after advising the Commissioners of individual contracts or agreements to be acted upon.

In 1999, the FAA established a program designed to improve Runway Safety Areas at federally obligated airports. A component of that program includes a new technology called an EMAS. The EMAS was developed to enhance runway safety requirements and has proven to be successful. Since the installation of the first prototype EMAS at the end of Runway 4R at JFK in 1996, three aircraft have been arrested successfully. EMAS installations were recently completed at the arrival ends of Runways 4 and 31 at LaGuardia Airport and at Runway 6 at Teterboro Airport.

Contract JFK-164.005, at a total estimated construction cost of \$16.7 million, would be entered into with JFK Arrestor Bed Joint Venture (whose members are Engineered Arresting Systems Corporation (ESCO) and Edwards and Kelcey Engineers, Inc.). Contract JFK-164.005 is a negotiated contract, due to the proprietary nature of the technology and an FAA requirement to use ESCO, the sole approved contractor. The contract would provide for the design and construction of an EMAS, in accordance with FAA Advisory Circular AC 150/5220-22A for compliance with FAA requirements. The work would include: performance modeling to establish material strengths and arrestor bed configuration; manufacturing of the blocks; engineering design, site preparation, including grading and drainage of the Runway Safety Area and construction of a paved support surface for the arrestor bed; installation of blocks; construction management; and one year of quarterly inspections and maintenance. An agreement with the FAA for the Port Authority's reimbursement of costs associated with the FAA's review of project designs is required for completion of the project, at an estimated cost of \$200,000.

The costs associated with this expenditure are fully recoverable through federal Airport Improvement Program funds and the Flight Fee formula.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, Genova, Pocino, Sartor, Silverman and Steiner voting in favor; none against; Commissioner Coscia recused:

RESOLVED, that a project for the design and construction of an Engineered Material Arresting System for Runway 22L at John F. Kennedy International Airport, at an estimated total project cost of \$19 million (the Project), including payments to

contractors, allowances for extra work (if necessary), and net cost work, engineering, administrative and financial expense and a 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 JFK-164.005, at a total estimated construction cost of \$16.7 million, to JFK Arrestor Bed Joint Venture (whose members are Engineered Arresting Systems Corporation and Edwards and Kelcey Engineers, Inc.); 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 an agreement with the Federal Aviation Administration (FAA) for the Port Authority to provide reimbursement of costs associated with the FAA's review of Project designs required for completion of the Project, at an estimated cost of \$200,000; 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 purchase and construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the Project, subject to advising the Commissioners of individual contracts or agreements to be acted on pursuant to this authorization prior to taking or authorizing such action; and it is further

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

**NEWARK LIBERTY INTERNATIONAL AIRPORT – DESIGN AND CONSTRUCTION
OF AN ENGINEERED MATERIAL ARRESTING SYSTEM FOR RUNWAY 29 –
PROJECT AUTHORIZATION AND AWARD OF CONTRACT**

It was recommended that the Board authorize: (1) a project for the design and construction of an Engineered Material Arresting System (EMAS) for Runway 29 at Newark Liberty International Airport (EWR), at an estimated total project cost of \$14.9 million; and (2) the Executive Director to: (a) award construction Contract EWR-154.022, at an estimated construction cost of \$12.6 million, to EWR Arrestor Bed Joint Venture; (b) enter into an agreement with the Federal Aviation Administration (FAA) for the Port Authority to provide reimbursement of costs associated with the FAA's review of project designs required for completion of the project, at an estimated cost of \$50,000; and (c) enter into all other contracts and agreements required to effectuate the project, after advising the Commissioners of individual contracts or agreements to be acted upon.

In 1999, the FAA established a program designed to improve Runway Safety Areas at federally obligated airports. A component of that program is called an EMAS. The EMAS was developed to enhance runway safety requirements and has proved to be successful. Since the installation of the first prototype EMAS at the end of Runway 4R at John F. Kennedy International Airport in 1996, three aircraft have been arrested successfully. EMAS installations were recently completed at the arrival ends of Runways 4 and 31 at LaGuardia Airport and Runway 6 at Teterboro Airport.

Contract EWR-154.022, at a total estimated construction cost of \$12.6 million, would be entered into with EWR Arrestor Bed Joint Venture (whose members are Engineered Arresting Systems Corporation (ESCO) and Edwards and Kelcey Engineers, Inc.). Contract EWR-154.022 is a negotiated contract, due to the proprietary nature of the technology and an FAA requirement to use ESCO, the sole approved contractor. The contract would provide for the design and construction of an EMAS, in accordance with FAA requirements. The work would include: performance modeling to establish material strengths and arrestor bed configuration; manufacturing of the blocks; engineering design, site preparation, including grading and drainage of the Runway Safety Area, and construction of a paved support surface for the arrestor bed; installation of blocks; construction management; and one year of quarterly inspections and maintenance. An agreement with the FAA for the Port Authority's reimbursement of costs associated with the FAA's review of project designs is required for completion of the project, at an estimated cost of \$50,000.

The costs associated with this expenditure are fully recoverable. Approximately \$9.088 million is recoverable through Passenger Facility Charge funding, and the balance would be recovered through the Flight Fee component of the Newark Master Lease.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, Genova, Pocino, Sartor, Silverman and Steiner voting in favor; none against; Commissioner Coscia recused:

RESOLVED, that a project for the design and construction of an Engineered Material Arresting System for Runway 29 at Newark Liberty International Airport, at an estimated total project cost of \$14.9 million (the Project),

including payments to contractors, allowances for extra work (if necessary), and net cost work, engineering, administrative and financial expense and a 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 EWR-154.022, at a total estimated construction cost of \$12.6 million, to EWR Arrestor Bed Joint Venture (whose members are Engineered Arresting Systems Corporation and Edwards and Kelcey Engineers, Inc.); 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 an agreement with the Federal Aviation Administration (FAA) for the Port Authority to provide reimbursement of costs associated with the FAA's review of Project designs required for completion of the Project, at an estimated cost of \$50,000; 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 purchase and construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the Project, subject to advising the Commissioners of individual contracts or agreements to be acted on pursuant to this authorization prior to taking or authorizing such action; and it is further

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

TETERBORO AIRPORT – DESIGN AND CONSTRUCTION OF AN ENGINEERED MATERIAL ARRESTING SYSTEM FOR RUNWAY 19 AND RELOCATION OF REDNECK AVENUE – PROJECT AUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board authorize: (1) a project for the design and construction of an Engineered Material Arresting System (EMAS) for Runway 19 at Teterboro Airport (TEB) and the design and relocation of a segment of Redneck Avenue required for the construction of the EMAS, at an estimated total project cost of \$39.9 million (the project); (2) the Executive Director to award Contract TEB-924.601 to the joint venture of Engineered Arresting Systems Corporation and Edwards and Kelcey Engineers, Inc. for the design and construction of the EMAS, at a cost to be negotiated; and (3) the Executive Director to enter into: (a) an agreement with the Federal Aviation Administration (FAA) for the Port Authority to reimburse the FAA for its costs, in an estimated amount of \$500,000, associated with the FAA's review of project designs required for completion of the project; (b) agreements, but not including those involving conveyances of property interests, with appropriate entities, to satisfy conditions, including, but not limited to, those related to mitigation of wetland and floodplain impacts, in connection with permits and approvals for the project, at an estimated cost of \$2 million; and (c) such other construction and related professional service agreements as are necessary to effectuate the project, after advising the Commissioners of individual agreements to be acted upon prior to taking or authorizing such action.

In 1999, the FAA established a program designed to improve Runway Safety Areas at federally obligated airports. The EMAS was developed as a component of that program to enhance runway safety requirements and has proven to be successful. In 2002, the FAA funded analyses of Runway Safety Areas at Port Authority airports and identified the installation of an EMAS as the most practical alternative for providing an enhanced Runway Safety Area for Runway 19 at TEB. Contract TEB-924.601 would provide for the design and installation of an EMAS for Runway 19 and for associated work, including: computer modeling, site preparation, utility relocations, paved support surface, manufacturing and block installation, construction management, obtaining certain permits and one year of quarterly inspections and maintenance. Contract TEB-924.601 would be a negotiated contract with the joint venture of Engineered Arresting Systems Corporation (ESCO) and Edwards and Kelcey Engineers, Inc., due to the proprietary nature of the technology and an FAA requirement to use ESCO, the sole approved contractor.

An agreement with the FAA also would be entered into covering reimbursement to the FAA of costs associated with its review of designs for the project.

A portion of Redneck Avenue, a Bergen County road, will encroach on the Runway Safety Area of the new EMAS; hence, this portion of Redneck Avenue would have to be relocated to the east of its current location onto Port Authority-owned property at TEB. Contract TEB-144.005 would provide for the relocation of this portion of Redneck Avenue and would be publicly advertised.

It is contemplated that an agreement will be entered into with the County of Bergen covering the vacation of a segment of Redneck Avenue, dedication of the relocated portion of Redneck Avenue, transfer of easements incidental thereto, and the construction to be performed in connection with the relocation of Redneck Avenue. Further, the relocation of Redneck

Avenue would affect the ingress and egress onto Moonachie Avenue of two commercial properties located near the intersection of Redneck and Moonachie Avenues. Unrestricted access to these properties may be able to be provided by the creation of a joint access “common driveway” on the boundaries of the properties. It is anticipated that this option will be explored with the County of Bergen and the affected property owners, and that agreements with the property owners may be entered into covering the design and construction of a common driveway serving the two properties and other related work. Further, the project would require utility relocation agreements and associated conveyances of easements. Staff anticipates that authorization of these agreements and the granting and acceptance of related easements will be sought in the future. Prior to such authorization, to advance the project, staff, as part of its planning effort, may arrange for environmental studies, surveys, permit and approval applications, property appraisals, title searches and title insurance.

Various environmental permits and approvals would have to be obtained for the project. Staff proposes to enter into agreements, but not including those involving conveyances of property interests, with appropriate entities to satisfy conditions, including, but not limited to, those related to mitigation of wetland and floodplain impacts, in connection with such permits and approvals for the project, at an estimated cost of \$2 million. One anticipated issue involves a possible New Jersey Department of Environmental Protection permit condition requiring the Port Authority to convey to the State of New Jersey a conservation/restriction easement with regard to the EMAS project for Runway 19, as well as the already constructed Runway 6 EMAS project. Prior approval of the FAA may be necessary.

Ninety-five percent of eligible design and construction costs are recoverable through federal Airport Improvement Program grants.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, Genova, Pocino, Sartor, Silverman and Steiner voting in favor; none against; Commissioner Coscia recused:

RESOLVED, that a project for the design and construction of an Engineered Material Arresting System (EMAS) for Runway 19 at Teterboro Airport and the design and relocation of a segment of Redneck Avenue required for the construction of the EMAS, at an estimated total project cost of \$39.9 million (the project), including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses and a contingency (if necessary), be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he is hereby authorized, for and on behalf of the Port Authority, to enter into an agreement with the Federal Aviation Administration (FAA) for the Port Authority to reimburse the FAA for its costs, in an estimated amount of \$500,000, associated with the FAA’s review of project designs; and it is further

RESOLVED, that the Executive Director be and he is hereby authorized, for and on behalf of the Port Authority, to award Contract TEB-924.601 to the joint venture of Engineered Arresting Systems Corporation and Edwards and Kelcey Engineers, Inc. for the design and construction of the EMAS, at a cost to be negotiated; and it is further

RESOLVED, that the Executive Director be and he is hereby authorized, for and on behalf the Port Authority, to enter into agreements, but not including those involving conveyances of property interests, with appropriate entities, to satisfy conditions, including, but not limited to, those related to mitigation of wetland and floodplain impacts, in connection with permits and approvals for the project, at an estimated cost of \$2 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 and take such other action with respect to purchase and construction contracts and contracts for professional, technical, and advisory services as may be necessary to effectuate the project, subject to advising the Commissioners prior to taking any action; and it is further

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

DOWNTOWN RESTORATION PROGRAM – AUTHORIZATION OF PAYMENTS INTO AN ESCROW ACCOUNT FOR CERTAIN WEST BATHTUB FOUNDATIONS AND RELATED STRUCTURAL WORK

It was recommended that the Board authorize the Executive Director, for and on behalf of the Port Authority and its wholly-owned corporate entities, WTC Retail LLC and 1 World Trade Center LLC (1 WTC LLC), to make payments into an escrow account, in an amount not to exceed \$14 million, to be used for the payment of costs associated with the construction of certain foundations and other structural work in the West Bathtub of the World Trade Center (WTC) site that would support future WTC site infrastructure components and facilities.

In July 2006, the Board authorized the Executive Director to enter into a WTC Memorial/Cultural Project Agreement with several entities, including the WTC Memorial Foundation (Foundation), that provided for a Port Authority funding commitment of up to \$150 million for common and exclusive site infrastructure work associated with the WTC Memorial, Memorial Museum, and the Visitors Orientation and Education Center (Memorial/Cultural Project). Under this funding arrangement, the Port Authority is to contribute amounts for Memorial/Cultural Project common and exclusive infrastructure components, such as West Bathtub shear walls, floor slabs and the Central Chiller Plant.

In August 2006, the Port Authority accepted certain assignments of the Foundation's construction management and construction contracts with Bovis Lend Lease LMB, Inc. (Bovis) and E.E. Cruz & Company, Inc. (E.E. Cruz), to initiate construction of the WTC Memorial and Memorial Museum. The E.E. Cruz contract provides for installation of footings and foundations, and under-slab drainage throughout the West Bathtub of the WTC site. The Bovis contract provides for construction management services, as well as general conditions work, to manage and support the E.E. Cruz construction activities. The current forecast total cost of the E.E. Cruz contract (including supplemental work and change orders) is approximately \$26 million. The current forecast total cost of the portion of the Bovis contract related to the footings and foundations is approximately \$5 million.

Although a portion of the E.E. Cruz footings and foundations contract work is exclusively for the WTC Memorial and Memorial Museum Project, there are certain foundations needed to support future WTC site common infrastructure components and facilities. In particular, there is approximately 800 linear feet of shear walls in the West Bathtub that the Port Authority is responsible to provide on behalf of the Memorial/Cultural Project, which requires significant excavation (as much as 15 feet deep) into rock to install foundations. Under other cost sharing and funding arrangements for the Central Chiller Plant and other site infrastructure components, several Port Authority entities (including the Port Authority, WTC Retail LLC and 1 WTC LLC) share costs for common infrastructure needed to support the WTC Transportation Hub, WTC retail development and other site facilities.

As part of the assignments of the Bovis and E.E. Cruz contracts from the Foundation to the Port Authority, an independent escrow account (with Citibank, N.A.) was established in August 2006 by the Port Authority and the Foundation to provide for joint tracking of payments into escrow and disbursements for construction work. Funds are disbursed from this escrow account to Bovis and E.E. Cruz, in accordance with payment requisitions that are approved by both the Port Authority and the Foundation.

In December 2006, the Board authorized the Executive Director to finalize agreements with the Foundation, providing for the Port Authority to manage all construction work for the WTC Memorial/Cultural Project. It is anticipated that the parties will continue to maintain an escrow account to fund subsequent construction work by Bovis and future trade contractors for the WTC Memorial/Cultural Project, and that there will be future payments into the escrow account by the Port Authority entities for other site infrastructure work.

Approximately \$2.8 million of the proposed payments would be reimbursable from Federal Transit Administration grant funds, insurance allocations, and other external funding sources.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Pocino, Silverman and Steiner voting in favor; none against; Commissioner Sartor recused:

RESOLVED, that the Board authorize the Executive Director, for and on behalf of the Port Authority and its wholly owned corporate entities, WTC Retail LLC and 1 World Trade Center LLC, to make payments into, an escrow account, in an amount not to exceed \$14 million, to be used for the payment of costs associated with the construction of certain foundations and other structural work in the West Bathtub of the World Trade Center site that would support future site infrastructure components and facilities; and it is further

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

**NEWARK LIBERTY INTERNATIONAL AIRPORT – SHREE SHEETALNATH, INC.
(D/B/A DUNKIN’ DONUTS) – LEASE NO. ANB-682 – NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into a five-year lease with Shree Sheetalnath, Inc. (the Lessee) for the operation of a Dunkin’ Donuts food and beverage establishment in Terminal A at Newark Liberty International Airport. The leased premises would consist of a total of approximately 290 square feet.

The Lessee would pay the greater of a minimum annual guaranteed rent in the amount of \$85,000 or percentage rental based on the gross receipts of the Lessee’s food and beverage operation. In addition, the Lessee would pay an additional promotion fee of \$25,000 over the lease term. The term of the lease and the rent obligation would commence on or about April 1, 2007. The Lessee has made an initial capital investment of \$56,550 in connection with its occupancy of the leased premises.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Shree Sheetalnath, Inc. for the letting of space in Terminal A at Newark Liberty International Airport, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

E-ZPASS PROGRAM – AWARD OF CONTRACT TO OPERATE THE E-ZPASS NEW YORK CUSTOMER SERVICE CENTER

It was recommended that the Board authorize: (1) the Executive Director to award a ten-year contract to ACS State and Local Solutions (ACS) for the operation of the E-ZPass New York Customer Service Center (CSC), at an estimated cost of \$128,862,844; (2) the Director of Procurement, at the discretion of the Director, Tunnels, Bridges and Terminals (TB&T), to exercise an option to extend the contract for an additional three-year term, at an estimated cost of \$52,563,651; (3) the Director, TB&T, to order extra work, if necessary, in an amount not to exceed five percent of the cost of the base term and the three-year extension term, if the option to extend is exercised; and (4) the Director, TB&T, to expend contingency funds, if necessary, in an amount not to exceed ten percent of the cost of the base term and three-year extension term if the option to extend is exercised.

Beginning in 2004, the Port Authority, together with its partner agencies, the Metropolitan Transportation Authority Triborough Bridge and Tunnel Authority (TBTA) and the New York State Thruway Authority (NYSTA), developed a joint Request for Proposals (RFP) for the operation of the CSC and related services, which was issued in June 2005. The three agencies selected ACS as the recommended awardee in November 2005. The TBTA is serving as the lead agency for this procurement. NYSTA received approval from its Board on January 17, 2007, and the TBTA received approval from the Metropolitan Transportation Authority Board at its February 28, 2007 meeting. Each agency (Port Authority, TBTA and NYSTA) would enter into separate but substantially similar contracts with ACS.

As part of the selection process, a publicly advertised RFP was sent to 26 firms. On September 26, 2005, three proposals were received from two firms: (1) ACS and (2) TransCore. The RFP required all firms to submit a base proposal addressing the statement of work. In order to allow the proposer to provide innovative ideas and possible cost savings, the RFP also allowed firms to submit an alternative proposal in addition to a base proposal. The alternate proposal was submitted by ACS.

A committee composed of representatives from the three agencies had assigned the relative significance of each evaluation item.

A separate evaluation committee, composed of different representatives from the three agencies, reviewed and scored the proposals. Scores were based on predefined criteria, but without knowledge of the weight for each criterion or the cost proposal. Because TBTA is the lead agency in this procurement process, the agencies followed TBTA procedures. Proposals were scored pursuant to TBTA's standard practice procurement procedures.

In November 2005, the evaluation committee recommended award to the highest rated proposer based on the following criteria:

- (1) Proposer's experience and ability to perform required services (20 percent).
- (2) Proposer's work plan to meet the functional requirements of the Statement of Work (45 percent).
- (3) Overall quality and responsiveness of the proposal (5 percent).
- (4) Cost/Price Proposal (30 percent).

ACS has been performing customer service duties at the CSC for the Port Authority since 1997. In order to ensure a smooth transition to the new operation and to maintain continued customer service, the Director of Procurement was authorized in November 2006 to extend the contract existing at that time on a month-to-month basis, effective December 2006, using approximately \$14.5 million of remaining funds from the current contract. Although it is estimated that the \$14.5 million will cover CSC costs through December 2007, based on the expected Notice to Proceed date and the transition period, additional funding for the extension period will be required to cover needs beyond December 2007.

Current customer support services include: managing accounts and collecting tolls; opening and closing accounts; collecting pre-paid toll deposits; processing toll violations; processing non-toll (parking) transactions; operating the telephone call center; and reporting. Benefits expected under the new contract would include:

- Enhanced operations and customer service through key performance indicators and revised standards.
- New computer hardware and upgraded software.
- Transition from cost-plus to unit pricing to effect cost savings.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a ten-year contract to ACS State and Local Solutions (ACS) for the operation of the E-ZPass New York Customer Service Center (CSC), at an estimated cost of \$128,862,844; and it is further

RESOLVED, that the Director of Procurement, at the discretion of the Director, Tunnels, Bridges and Terminals (TB&T), be and she hereby is authorized, for and on behalf of the Port Authority, to exercise an option to extend the foregoing contract for an additional three-year term, at an estimated cost of \$52,563,651; and it is further

RESOLVED, that the Director, TB&T, be and she hereby is authorized, for and on behalf of the Port Authority, to: (1) order extra work, if necessary, in an amount not to exceed five percent of the cost of the base term of the foregoing contract and the three-year extension term, if the option to extend is exercised; and (2) expend contingency funds, if necessary, in an amount not to exceed ten percent of the cost of the base term and the three-year extension term, if the option to extend is exercised; 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.

LINCOLN TUNNEL – DECLARATION OF SURPLUS PROPERTY AND TRANSFER TO HUDSON COUNTY, NEW JERSEY

It was recommended that the Board authorize: (1) the declaration of approximately 1,386 square feet of property, located within Block 13, Lot 2, on the tax maps of Weehawken, New Jersey (Parcel), owned by the Port Authority and located near the Lincoln Tunnel, as surplus property; and (2) the Executive Director to transfer title to the Parcel to Hudson County, New Jersey (County), for the sum of \$1, subject to its being utilized for the purpose of a public road, street and/or sidewalk. The property has an appraised value of \$16,632.

The County needs the Parcel in connection with its construction project to improve the intersection of J.F. Kennedy Boulevard East (Boulevard East) and 19th Street in Weehawken, New Jersey. Among other improvements, the project will widen the two-lane southbound Boulevard East into three lanes at the intersection. Widening the intersection will require the use of the current sidewalk in this area. The Parcel is adjacent to the sidewalk and will become the new sidewalk once the road is expanded. The County's improvements to the intersection will improve traffic flow for customers going to the Lincoln Tunnel.

The Parcel would be conveyed to the County in "as is, where is" condition, and the Port Authority would have no liability, either express or implied, as to the condition, title, design, operation, or fitness of the Parcel. The Port Authority would have no environmental liability for the Parcel. The County will prepare a survey of the Parcel to be used in preparation of the appropriate Port Authority Map to be filed with the Office of the Secretary.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that the Board hereby finds and determines that the real property near the Lincoln Tunnel in Weehawken, New Jersey (Weehawken), and consisting of approximately 1,386 square feet of property (Parcel), located within Block 13, Lot 2, on the tax maps of Weehawken, is no longer required for the purpose for which it was acquired; and it is further

RESOLVED, that the Chief Engineer of the Port Authority be and he hereby is authorized and directed, for and on behalf of the Port Authority, to execute a certificate to be annexed to the appropriate Port Authority Map stating that the real property constituting the Parcel shown on said map is no longer required for the purposes for which it was acquired, such map to be filed with the Office of the Secretary of the Port Authority; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) execute a deed transferring title to the Parcel to Hudson County, New Jersey; and (2) enter into any other related agreements, including a contract of sale, to effectuate the transfer of title to the Parcel to Hudson County, for the sum of \$1, substantially in accordance with the terms and conditions outlined to the Board; the form of the foregoing deed agreements shall be subject to the approval of General Counsel or his authorized representative.

**AGREEMENT WITH THE ALLIANCE FOR DOWNTOWN NEW YORK, INC. –
RENEWAL**

It was recommended that the Board authorize the Executive Director to enter into a one-year extension, from January 1, 2007 through December 31, 2007, of the Port Authority's agreement with the Alliance for Downtown New York, Inc. (Alliance), at a contribution rate of \$1.12 million. The Alliance is the operating entity for the Downtown-Lower Manhattan Business Improvement District (BID), which represents the interests of the Downtown real estate and business community. Similar to other business improvement districts in New York City, the Alliance collects assessments from property owners and provides services to the district that benefit property owners and their tenants.

The Port Authority has made a similar annual contribution to the Alliance since the founding of the Alliance in 1995. During that period, the Alliance has been a strong advocate for Lower Manhattan by: promoting district economic development, enhancing security and sanitation, working to improve streetscape appearance and signage, marketing the area south of Chambers Street, and fostering cultural and community events.

Since September 11, 2001, the Alliance has played a significant role in Lower Manhattan's recovery by: creating a world-class wireless communications network, developing marketing and advertising campaigns to help support Downtown businesses and maintain the area's viability, and supporting programs such as the River-to-River Festival. Following 9/11, a Downtown shuttle bus service was instituted to alleviate transit disruptions, and continues to be operated by the Alliance today on a modified route. The Alliance has worked with the Port Authority on many issues and continues to be a strong supporter of the commercial and retail redevelopment of the World Trade Center (WTC) site and the WTC Transportation Hub.

Under the WTC Net Leases, the Net Lessees are responsible for contributing toward the Port Authority's annual BID payment, in an amount that bears the same proportion to the total payment as the Lessees' square footage bears to the total square footage of the WTC site. Based on this formula, the Silverstein Properties Inc. (SPI) Net Lessees would reimburse the Port Authority for approximately 59 percent of the annual BID contribution.

The WTC Reciprocal Easement and Operating Agreement of the East Bathtub grants the representative of the Net Lessee Association representation on the BID board. The agreement with the Alliance has been modified to provide for that representation, while maintaining the seat for the Port Authority, which carries special rights under the agreement.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a one-year extension of the Port Authority's agreement with the Alliance for Downtown New York, Inc. covering the

year 2007, at an annual Port Authority contribution rate of \$1.12 million; and it is further

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

PORT AUTHORITY EMPLOYMENT RELATIONS PANEL – APPOINTMENT OF NEW JERSEY MEMBER

It was recommended that the Board appoint Patrick R. Westerkamp as the New Jersey Member of the Port Authority Employment Relations Panel (Panel).

The Port Authority Labor Relations Instruction (Instruction) was adopted by the Board on September 29, 1976, in accordance with the recommendation of a joint gubernatorial study commission, convened to propose provisions to govern the labor relations activities of the Port Authority, its employees and their employee organizations, because the Port Authority is not subject to the public sector collective bargaining statutes of either the State of New York or the State of New Jersey. The Instruction, as amended on September 27, 1993, provides for the Board to appoint a three-member Panel, including a New Jersey Member, to assist the Chairman in administering the Instruction.

The previous New Jersey Member, Joel M. Weissblatt, resigned on January 25, 2007. In accordance with the provisions of the Instruction, Lawrence Henderson, Chairman of the New Jersey Public Employment Relations Commission (PERC), recommended that Patrick R. Westerkamp be appointed to replace Joel M. Weissblatt as the New Jersey Member of the Panel. All members of the Panel serve until reappointment or appointment of a successor. Mr. Westerkamp has served as an Arbitrator and Mediator in the private sector since 1978. Mr. Westerkamp, who served as the New Jersey Regional Director for the American Arbitration Association from 1971 through 1978, also represented Public Service Electric and Gas Company in employment and labor relations litigation from 1998 through 2005. He is a graduate of Seton Hall, Hofstra and Loyola Universities, and is a member of the New Jersey Chapter of the Labor and Employment Relations Association and the New Jersey Association of Professional Mediators.

The Panel is responsible for: resolving disputes arising from the designation of managerial and confidential and supervisory employees; assisting in resolving negotiating impasses; processing improper labor practice charges; processing petitions for certification or decertification of employee organizations as negotiating representatives of Port Authority employees; and hearing and deciding representation fee disputes. The Panel may also appoint hearing officers, mediators, fact finders, attorneys, or others to assist it in its functions, and provide for member reimbursement and compensation at rates set pursuant to the Instruction.

Panel members presently are compensated at a rate of \$700 per day for each day spent in attendance at meetings or consultation or in the preparation of reports or determinations, and are reimbursed for expenses actually incurred by them in the performance of their duties.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that Patrick R. Westerkamp be and he hereby is appointed the New Jersey Member of the Port Authority Employment Relations Panel.

TRANS-HUDSON EXPRESS (THE) TUNNEL PROJECT – MEMORANDUM OF UNDERSTANDING WITH NEW JERSEY TRANSIT CORPORATION

It was recommended that the Board authorize the Executive Director to enter into a Memorandum of Understanding (MOU) with New Jersey Transit Corporation (NJT) establishing a framework upon which the Port Authority and NJT will enter a formal agreement to advance planning, development, design, engineering, real estate identification and acquisition, construction and related activities in connection with the implementation of the Trans-Hudson Express (THE) Tunnel Project, also known as Access to the Region's Core (ARC).

At its meeting of July 27, 2006, the Board authorized THE Tunnel Project, in an amount of at least \$1 billion, to facilitate efficient mass transportation and ease congestion on the Port Authority's transportation infrastructure and in the New York-New Jersey region, subject to: (1) an increase in the aggregate amount of THE Tunnel Project, up to a total amount of \$2 billion, as the project's financing plan evolves during the approval process; (2) further Board approval to implement THE Tunnel Project; and (3) certification of THE Tunnel Project as an additional facility of the Port Authority pursuant to bond covenants, with respect to implementation of the project other than for preliminary planning and engineering costs associated with the project. At that time, the Board also authorized initial Port Authority expenditures of up to \$10 million for preliminary planning and engineering activities in connection with THE Tunnel Project, including reimbursement of costs incurred by NJT for such activities.

In October 2006, the Board authorized the Executive Director to take action in connection with the identification of real property in New York City that will be necessary to effectuate the development of THE Tunnel Project, through the Port Authority's Pre-development Site Acquisition Program (Program), at a maximum amount of \$75 million, with the final terms of any acquisition of such property to be subject to approval by the Committee on Operations. The cost of any real property acquired through the Program, together with the \$10 million previously authorized for preliminary planning and engineering activities, are to be allocated against the Port Authority's funding commitment toward THE Tunnel Project.

The proposed MOU would: formalize the Port Authority's role in THE Tunnel Project, evidence the commitment of both the Port Authority and NJT to the project, and establish a framework upon which the Port Authority and NJT will enter into a formal agreement to advance the project's planning, development, design, engineering, real estate identification and acquisition, construction and related activities. The MOU would provide for the formation of a Steering Committee consisting of an equal number of senior staff from NJT and the Port Authority, appointed by the Executive Directors of both agencies, to provide leadership and oversight for THE Tunnel Project. The Port Authority would be primarily responsible for real estate acquisition and construction management in New York, with NJT to be primarily responsible for those activities in New Jersey. NJT would continue to lead the ongoing process related to compliance with the National Environmental Policy Act of 1969 and preliminary engineering activities, as well as rolling stock acquisition. All other staffing assignments would be made so as to achieve a fully integrated team.

While NJT would continue to serve as the lead agency, it will be necessary to decide, prior to signing of a Full Funding Grant Agreement with the Federal Transit Administration,

whether the Port Authority should assume the project leadership role, based on its funding contribution and other relevant factors.

NJT and Port Authority staff agree that construction of THE Tunnel Project requires the identification and acquisition of appropriate real estate interests from property owners (public and private) in New York and New Jersey. The Port Authority would derive all revenues from any ancillary development incidental to implementation of the project in New York City.

THE Tunnel Project will promote continued regional growth and prosperity, and provide essential redundancy in mass transit services between New Jersey and New York, by: (1) approximately doubling the commuter rail capacity across the Hudson River, (2) expanding track and platform capacity adjacent to Penn Station New York, under 34th Street, (3) providing rail improvements to the Northeast Corridor rail line, and (4) providing for the purchase of new rail equipment.

For purposes related to the receipt of federal funding, the MOU will refer to THE Tunnel Project as ARC.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Pocino, Sartor, Silverman and Steiner voting in favor; none against; Commissioner Genova recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Memorandum of Understanding (MOU) with New Jersey Transit Corporation (NJT) establishing a framework upon which the Port Authority and NJT will enter a formal agreement to advance the planning, development, design, engineering, real estate identification and acquisition, construction and related activities in connection with the implementation of the Trans-Hudson Express (THE) Tunnel Project, also known as Access to the Region's Core (ARC); and it is further

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

**WORLD TRADE CENTER SITE – FREEDOM TOWER PROJECT –
AUTHORIZATION TO AWARD CONSTRUCTION CONTRACTS**

It was recommended that the Board authorize: (1) 1 World Trade Center LLC (1 WTC LLC), in order to further the construction of the Freedom Tower at the World Trade Center (WTC) site, to enter into construction trade contracts for below-grade fire protection and elevators and escalators, through its agent, Tishman Construction Corporation (Tishman), at a total estimated cost of \$105 million; and (2) the Executive Director to exercise three options for preventive maintenance services in connection with the elevator and escalator contract, the first, a one-year option, at an estimated cost of \$5 million, the second, a subsequent five-year option, at an estimated cost of \$31 million, and the third, a subsequent three-year option, at an estimated cost of \$23 million.

At its January 25, 2007 meeting, the Board authorized 1 WTC LLC to execute an amendment to the September 2003 General Contractor Agreement between 1 WTC LLC and Tishman to allow Tishman to provide construction management services for the Freedom Tower Project for an estimated fee of \$26.5 million, and with general conditions work of approximately \$170 million to be managed by Tishman. At that meeting, the Board also authorized purchases of interim insurance coverage for the Freedom Tower construction, at an amount not to exceed \$4.79 million.

At its February 22, 2007 meeting, the Board authorized 1 WTC LLC to advance construction of the Freedom Tower, at a total estimated cost of \$2.877 billion, inclusive of below-grade and above-grade construction, common site infrastructure, finance charges associated with the project and costs related to the coordination of construction with other projects at the WTC site, including work above the Port Authority Trans-Hudson rail system right-of-way. At that meeting, the Board also authorized 1 WTC LLC to: (1) enter into construction trade contracts for the Freedom Tower, at an estimated cost of \$429.6 million; (2) fund the value remaining in the trade contracts held by Tishman under the General Contractor's Agreement, in an estimated amount of \$35.3 million; (3) enter into a number of agreements to provide professional, technical, peer, testing, inspection and specialty advisory services, in an estimated amount of \$25.1 million; and (4) expend an estimated \$2.25 million for continued payments to Skidmore Owings & Merrill LLP for continued design services during the period of March 1, 2007 through May 31, 2007.

Authorization is presently requested for the award of the following construction trade and maintenance contract options:

- 1) Fire Protection – Rael Automatic Sprinkler Company, Inc.
Bid Award Price: \$8,900,000
- 2) Elevators and Escalators – Thyssen Krupp Elevator Corp.
Bid Award Price: \$87,984,000

(Authorization for extra work, at eight percent of the respective contract amounts, is being requested for the above-specified construction trade contracts.)

- 3) Elevators and Escalators Preventive Maintenance Contract Options (estimated amounts) – Thyssen Krupp Elevator Corp.:
 - One-Year Option: \$5 million
 - Five-Year Subsequent Option: \$31 million
 - Three-Year Subsequent Option: \$23 million

(Authorization for extra work, at six percent of the respective contract option amounts, is being requested for the above-specified maintenance contract options.)

The form of trade contract being utilized by Tishman was developed by Port Authority staff and maintains, to the greatest degree possible, Port Authority policies and procedures for the work, including provisions allowing for termination for convenience, and requirements for minority and women-owned business enterprise utilization, confidentiality, security and integrity monitoring, and a competitive bidding process.

The terms of the construction trade contracts proposed for award were negotiated and would be awarded to the lowest responsive bidder, in accordance with the procurement procedures established in the Third Freedom Tower Amendment, authorized by the Board at its January 25, 2007 meeting.

The contractor to be awarded the contract for below-grade fire protection construction at the Freedom Tower would be responsible for providing all work related to the fire protection systems including, but not limited to, the following: fire pumping systems, wet piping systems, standpipe systems, pre-action systems, dry pipe systems, foam suppression systems, sprinkler system drainage piping, New York City Fire Department Siamese connections and fire reserve water storage tank systems.

The contractor to be awarded the contract for construction of elevators and escalators for the Freedom Tower would be responsible for: furnishing and installing 71 elevators and nine escalators, elevator entrances and signal fixtures, miscellaneous ironwork in the elevator pits, electrical work to interface with the fire alarm control panel and the lobby concierge desk, installation of security devices and cameras, preventive maintenance for one year, and all intermediate structural supports required for the escalator spans, as well as the construction of five service elevators for New York City Fire Department emergency service and evacuation operations for persons with disabilities. The contractor also would be responsible for ongoing maintenance of the elevator and escalator equipment, at 1 WTC LLC's option.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Pocino, Silverman and Steiner voting in favor; none against; Commissioner Sartor recused:

RESOLVED, that 1 World Trade Center LLC be and it hereby is authorized to enter into construction trade contracts in connection with the construction of the Freedom Tower, for (1) below-grade fire protection, and (2) elevators and escalators, as outlined to the Board, through its agent, Tishman Construction Corporation, at an estimated combined total cost of \$105 million, which includes an eight percent authorization for extra work for each contract; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to exercise three options for preventive maintenance services in connection with the foregoing elevator and escalator construction contract, the first, a one-year option, at an estimated cost of \$5 million, the second, a subsequent five-year option, at an estimated cost of \$31 million, and the third, a subsequent three-year option, at an estimated cost of \$23 million, all estimated option costs exclusive of a six percent allowance for extra work; and it is further

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

SETTLEMENT OF CLAIM – GIORDANO v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled “Giordano v. The Port Authority of New York and New Jersey” by paying to plaintiffs the sum of \$250,000, inclusive of attorneys’ fees, costs and disbursements. In return, plaintiffs would provide the Port Authority with a General Release, Stipulation of Discontinuance with Prejudice and a Hold Harmless Stipulation. The Port Authority would be fully reimbursed for the settlement amount by its excess insurance carrier, and such reimbursement would reduce available excess liability coverage in an equivalent amount.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff, Joseph Giordano, who was 41 years old at the time of the incident and employed by the New York Mercantile Exchange as a trading floor manager, was in a vehicle on the B3-Level parking garage of the WTC when the bombing occurred. Plaintiff sustained various personal injuries requiring medical attention and lost time from work as a result of this incident. There is a Workers’ Compensation lien of \$30,000 for lost wages and medical expenses, which plaintiff must repay.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Mack, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled “Giordano v. The Port Authority of New York and New Jersey” by paying to plaintiffs the sum of \$250,000, inclusive of attorneys’ fees, costs and disbursements.

SETTLEMENT OF CLAIM – PHOENIX ASSURANCE COMPANY, AS SUBROGEE OF TELEPORT COMMUNICATIONS v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of claims for property damage, business interruption, and lost profits in the action entitled “Phoenix Assurance Company of New York, as Subrogee of Teleport Communications v. The Port Authority of New York and New Jersey” in the aggregate amount of \$3,275,000, inclusive of attorneys’ fees, costs, disbursements and any claim for interest on the damages sustained. In return, plaintiff would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice. The settlement amount would be paid directly to the plaintiff by the Port Authority’s excess insurers. The payment would reduce available excess liability coverage by an equivalent amount.

The matter being settled involves a subrogated claim brought by an insurer arising from, and on behalf of, a tenant in The World Trade Center at the time of the February 26, 1993 terrorist bombing. The plaintiff alleges that, as a result of the Port Authority’s negligence, its subrogor suffered property damage, business interruption damages and loss of profits.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Commissioners Blakeman, Coscia, Chasanoff, Gargano, Genova, Mack, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled “Phoenix Assurance Company, as Subrogee of Teleport Communications v. The Port Authority of New York and New Jersey” in the amount of \$3,275,000, inclusive of attorneys’ fees, costs and disbursements.

Whereupon, the meeting was adjourned.

Secretary