

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, October 2, 2008

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, October 2, 2008 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

Hon. Henry R. Silverman, Vice Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. Fred P. Hochberg
 Hon. H. Sidney Holmes III

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

Linda K. Bentz, Assistant Director, Policy and Planning
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Ernesto L. Butcher, Chief Operating Officer
 Arthur J. Cifelli, Director, PABT Air Rights Development
 Steven J. Coleman, Assistant Director, Media Relations, Public Affairs
 Rebecca C. Croneberger, Manager, Labor Relations
 Arpan Dasgupta, Executive Assistant to the Deputy Executive Director
 William R. DeCota, Director, Aviation
 John C. Denise, Audio Visual Supervisor, Public Affairs
 Michael P. DePallo, Director, Rail Transit
 Pasquale DiFulco, Executive Communications Specialist, Media Relations, Public Affairs
 Francis A. DiMola, Deputy Director, Real Estate, Development
 Sandra E. Dixon, State Legislative Representative, Government & Community Affairs
 Michael P. Dombrowski, Cinematographer, Public Affairs
 John J. Drobny, Director, Security Projects
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 Michael B. Francois, Chief, Real Estate & Development
 Jennifer Friedberg, Staff Public Information Officer, Media Relations, Public Affairs
 Richard Friedman, Senior Advisor to the Executive Director
 Glenn P. Guzi, Client Manager, Government & Community Affairs
 Linda C. Handel, Assistant Secretary
 Alan H. Hicks, Principal Marketing Analyst, Public Affairs
 Mark D. Hoffer, Special Advisor to the Executive Director
 Roger J. Hsu, Manager, Business Development Program, Office of Business & Job Opportunity
 Kevin J. Kirchman, Deputy Director, Public Affairs
 Louis J. LaCapra, Chief Administrative Officer
 Conor Lanz, Leadership Fellow, Human Resources
 Richard M. Larrabee, Director, Port Commerce
 Susan Bass Levin, Deputy Executive Director
 Francis J. Lombardi, Chief Engineer
 Stephen Marinko, Esq., Law

Caterina M. Marra, Executive Secretary, Office of the Secretary
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Sanjay S. Mody, Advisor to the Chairman
Christopher J. Mohr, Senior Board Management Support Specialist, Office of the Secretary
Anne Marie C. Mulligan, Treasurer
Tony F. Oliver, Senior Marketing Analyst, Public Affairs
Diane Paonessa, Associate Board Management Support Specialist, Office of the Secretary
Stephen P. Plate, Director, World Trade Center Construction
Desiree Ramos, Principal External Affairs Representative, Government & Community Affairs
Stephen H. Sigmund, Chief, Public and Government Affairs
Timothy G. Stickelman, Assistant General Counsel
Gerald B. Stoughton, Director, Office of Financial Analysis
David B. Tweedy, Chief, Capital Programs
Lillian D. Valenti, Director, Procurement
Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Andrew S. Warshaw, Chief of Staff to the Executive Director
Peter J. Zipf, Deputy Chief Engineer/Director of Engineering

Guest:

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

Public Speaker:

James Marketti, CWA Local 1032

The public meeting was called to order by Chairman Coscia at 11:08 a.m. and ended at 11:33 a.m. The Board met in executive session prior to the public session, and also met in executive session on September 25, 2008.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of September 16, 2008. 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 Security Committee

The Security Committee reported, for information, on matters discussed in public session at its meeting on October 2, 2008, which included discussion of an item that authorizes the second phase of a program to implement certain airport perimeter strengthening improvements at John F. Kennedy International, LaGuardia and Newark Liberty International Airports, as well as planning for Phase 3 to address other areas at the airports and an item that authorizes an increase to an existing project to provide for the installation of additional airport checkpoint digital closed-circuit television equipment at John F. Kennedy International, LaGuardia and Newark Liberty International Airports, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on October 2, 2008, which included discussion of matters related to the purchase, sale, or lease of real property or securities, where disclosure would affect the value thereof or the public interest, and the report was received.

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 October 2, 2008, which included discussion of an item that authorizes planning for the replacement of certain infrastructure that supports the operation of the Holland Tunnel and an item that authorizes planning for both the near-term rehabilitation and ultimate replacement of the Lincoln Tunnel Helix in New Jersey, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on October 2, 2008, which included discussion of an item that authorizes an agreement for the redevelopment of the George Washington Bridge Bus Station, as well as matters discussed in executive session, which included discussion of matters related to the purchase, sale, or lease of real property or securities, where disclosure would affect the value thereof or the public interest, and the report was received.

Executive Director's Report

The Executive Director presented details of the World Trade Center assessment report, in connection with the redevelopment of the World Trade Center site.

JOHN F. KENNEDY INTERNATIONAL, NEWARK LIBERTY INTERNATIONAL AND LAGUARDIA AIRPORTS – PERIMETER STRENGTHENING – PHASE 2 PROJECT AUTHORIZATION AND PHASE 3 PLANNING AUTHORIZATION

It was recommended that the Board authorize: (1) a project for Phase 2 of the Air Operations Area (AOA) Perimeter Strengthening Program (Program) to provide for the replacement of segments of the AOA perimeter fence with crash-rated barriers at LaGuardia (LGA), John F. Kennedy International (JFK) and Newark Liberty International (EWR) Airports, at a total estimated project cost of \$12 million; and (2) planning for Phase 3 of the Program, involving the development of perimeter strengthening designs for certain other AOA perimeter locations at LGA, JFK and EWR, at a total estimated planning cost of \$1 million.

The requirements for protecting the AOA perimeter have been established as a result of a number of security assessments and intelligence information provided by the federal government.

Phase 1 of the Program, which addressed the areas directly related to the Perimeter Intrusion Detection System (PIDS) project to provide for the installation of upgraded perimeter barriers and fencing prior to the installation of PIDS fence-mounted sensors, was completed in 2008.

Phase 2 would address certain other Port Authority-maintained AOA perimeter areas not included in Phase 1. The proposed work would replace the existing AOA fence with the crash-rated concrete barrier developed and deployed under Phase 1 of the Program, as well as upgrade existing fencing barriers to provide crash-rated protection. Planning for Phase 3 of the Program would develop and advance the design for a barrier system at the balance of the Port Authority-maintained perimeter areas at LGA, JFK and EWR, where Federal Aviation Administration criteria restricts the use of rigid barriers.

It is anticipated that the balance of the Port Authority-maintained perimeter areas not covered under Phase 2 will be addressed in later phases of the Program.

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

RESOLVED, that a project for Phase 2 of the Air Operations Area (AOA) Perimeter Strengthening Program (Program) to provide for the replacement of segments of the AOA perimeter fence with crash-rated barriers at LaGuardia (LGA), John F. Kennedy International (JFK) and Newark Liberty International (EWR) Airports, at an estimated cost of \$12 million, be and it hereby is authorized; and it is further

RESOLVED, that the planning work for Phase 3 of the Program, involving the development of perimeter strengthening designs for certain other AOA perimeter locations at JFK, LGA and EWR, at an estimated cost of \$1 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to 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 project and 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 contracts and agreements in connection with the foregoing project and planning work shall be subject to the approval of General Counsel or his authorized representative.

**AIRPORT SECURITY ENHANCEMENT PROGRAM - AIRPORT CHECKPOINT
DIGITAL CLOSED-CIRCUIT TELEVISION SYSTEM - INCREASE IN
PROJECT AUTHORIZATION**

It was recommended that the Board authorize an increase of \$25 million in the project authorization for the implementation of an Airport Checkpoint Digital Closed-Circuit Television (ACDTV) system at John F. Kennedy International (JFK), Newark Liberty International (EWR) and LaGuardia (LGA) Airports (the Project), resulting in a total authorization of \$39 million.

In February 2005, the Board authorized \$14 million for the Project, which was based on the installation of 240 cameras at 34 checkpoints. The Project is part of the \$105 million Phase 2 Airport Security Enhancements Program. Planning studies and coordination with the United States Department of Homeland Security, Transportation Safety Administration, and the Port Authority Police Department subsequent to the Project authorization have determined that additional equipment and infrastructure are required to ensure full coverage of passenger checkpoint areas and to provide the infrastructure to employ new forms of detection capabilities in the future.

The proposed increase in authorization would provide for the installation of a total of approximately 1,100 cameras at 39 passenger screening checkpoints, providing camera coverage at 164 security lanes, and would also include a centralized recording and retrieval system that may be integrated with other electronic security systems at each airport. To date, work has been completed at Terminals A and C at EWR, and is underway at all four terminals at LGA and Terminal 5 at JFK. This proposed increase in authorization would provide for the implementation of the ACDTV system at the checkpoints in Terminal B at EWR and all remaining terminals at JFK.

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

RESOLVED, that an increase of \$25 million in the project authorization for the implementation of an Aircraft Checkpoint Digital Closed-Circuit Television system at John F. Kennedy International, Newark Liberty International, and LaGuardia Airports, resulting in a total authorization of \$39 million, be and it hereby is authorized.

HOLLAND TUNNEL – REPLACEMENT OF PROTECTIVE PIERS 9 AND 204 – PLANNING AUTHORIZATION

It was recommended that the Board authorize \$3.8 million for planning and engineering design services, through final design, for the demolition of the existing Piers 9 and 204 at the Holland Tunnel (HT), and for their replacement, including authorizing the Executive Director to award contracts for professional and advisory services as may be necessary to effectuate the planning and design work, the preparation and submission of environmental permit applications, and other planning and project support necessary for the planning and engineering of the project, at an estimated cost of \$2 million.

Pier 9 was constructed in April 1926 by the Erie Railroad to facilitate the trans-shipment of their New York Harbor freight traffic. Prior to the opening of the HT in November 1927, the New Jersey River Ventilation Building (NJRVB) was constructed at the end of Pier 9 on a separate structure designated as Pier 204. The Port Authority acquired title to Piers 9 and 204 in June 2000. Both piers were rehabilitated between 2000 and 2003, providing for structural integrity improvements to protect the tunnel below and the ability to protect the airshafts between the tunnel and the NJRVB from intrusion by small watercraft or individuals.

The continuing deterioration of both piers led to the initiation of a Stage I Study in 2003, to recommend how best to preserve the security of the HT, the access to the NJRVB and emergency ingress/egress for the HT. The Study's recommendations were to demolish Piers 9 and 204 and to construct replacement structures, as both structures had exceeded their useful lives. Since the issuance of the Study, additional priority repairs have been completed on the piers; however, sinkholes continue to appear regularly in Pier 9, requiring continued repairs. Presently, some portions of Pier 9 remain unusable.

Planning work under the proposed authorization would include: the evaluation of alternative designs for the replacement Piers 9 and 204 structures, an assessment of public/community impacts, including the allowance of public access, and the preparation of contract documents for the demolition of the existing Piers 9 and 204 and the construction of the replacement structures, including staff and consultant costs.

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

RESOLVED, that planning and engineering design services, in an estimated amount of \$3.8 million, for the demolition and replacement of protective Piers 9 and 204 at the Holland Tunnel, be and they hereby are 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 the award of contracts for professional and advisory services as may be necessary to effectuate the planning and design work, the preparation and submission of environmental permit applications, and other planning and project support necessary for the planning and engineering of the foregoing project, at an estimated cost of \$2 million, pursuant to

authority granted in the By-Laws or other resolution adopted by 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 such other agreements as may be necessary to effectuate the planning and engineering work for the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

LINCOLN TUNNEL – REHABILITATION AND REPLACEMENT OF THE HELIX – PLANNING AUTHORIZATION

It was recommended that the Board authorize an estimated total amount of \$10.2 million in planning and engineering services for the rehabilitation and replacement of the Lincoln Tunnel (LT) helix, which includes: (1) planning and engineering services for structural rehabilitation and repaving work for the LT helix, in an estimated amount of \$5.2 million; and (2) preliminary planning and conceptual engineering services for the future replacement of the LT helix, in an estimated amount of \$5 million. It was recommended further that the Board authorize the Executive Director to award consultant agreements for the planning and conceptual engineering services for the replacement of the helix and for conducting an assessment of future travel demands along the trans-Hudson vehicular crossings.

The LT helix roadway was constructed in 1937 and is approaching the end of its useful life. The helix connects the LT to several major New Jersey highways, including the New Jersey Turnpike, U.S. Routes 1 and 9, and New Jersey Routes 3 and 495. Daily traffic levels on the helix in 2007 were 50,000 vehicles per direction. The helix carries the Exclusive Bus Lane (XBL), which provides a vital link to the Port Authority Bus Terminal in midtown Manhattan. The XBL handles 1,700 buses that carry approximately 62,000 passengers each day during the morning peak period, representing more than half of the total number of customers that travel through the LT during this period. In addition, the LT's eastbound truck traffic, the majority of which uses the helix, increased by 48 percent between 2001 and 2007, due to the post-9/11 truck restrictions at the Holland Tunnel.

The federally mandated biennial inspections and a preliminary structural assessment of the LT helix have identified that the age of the structure, combined with the effects of de-icing salts, have resulted in the accelerated wear of the deck and supporting components. Necessary structural rehabilitation and repaving must be performed in order to maintain the helix in an operational condition over the next 10 to 15 years, until the helix undergoes replacement under a future project. Staff performed a pavement evaluation earlier this year and found that the pavement in two helix lanes must be replaced within the next year. Contracts for pavement replacement will be issued in the third quarter of this year and the second quarter of next year.

Planning work under this authorization would include: (1) a study of the structural rehabilitation and repaving of the LT helix, analyzing different staging options and the traffic impacts associated with each, a value engineering study and a life-cycle cost analysis of different rehabilitation approaches and staging schemes; (2) planning and engineering services for the structural rehabilitation and repaving of the LT helix, that would include field inspection, documentation of existing conditions and preparation of design documents, including construction staging and development of an estimated contract cost; (3) conducting an assessment of future demand projections and travel market characteristics, that will provide a basis for analyzing physical and operational alternatives for the replacement of the existing LT helix (This analysis would consider trans-Hudson capacity constraints by corridor and projected modal distribution of traffic, and would ensure coordination and consistency with assumptions governing other Port Authority and regional transportation and development plans.); and (4) planning and conceptual engineering services for the replacement of the LT helix, including development of design criteria, identification of replacement and staging alternatives, and preparation of a life-cycle cost analysis to compare different replacement options.

A program has been developed by staff for the helix, to address its short-term needs (pavement repairs), mid-term needs (structural rehabilitation and repaving) and long-term needs (replacement).

The construction activities associated with the rehabilitation and repaving project will impact both local and tunnel-bound traffic and the surrounding communities. Different staging schemes will be investigated in an attempt to minimize these impacts. The staging schemes to be considered will not interfere with the operation of the XBL.

Longer-term, the eventual replacement of the helix will present many challenges, including the refinement of future capacity and access needs in the midtown Manhattan corridor for all modes of transportation. Consistency with other regional projects and programs (Access to the Region's Core, Lincoln Tunnel Exclusive Bus Lane Capacity Enhancements, West Midtown Bus Parking and Staging Facility, Port Authority Bus Terminal Air Rights, Extension of the New York City Transit Number 7 subway line, Hudson Yards, and overall West Midtown Redevelopment, etc.) is essential to ensure that the LT will continue to meet existing and future customer needs. The analysis will include an evaluation of physical alternatives relative to travel demand, market characteristics and travel trends that will impact customer demand in the midtown Manhattan corridor.

The reconstruction program will focus on maintenance of traffic flow during reconstruction and the possible need to acquire property for temporary structures or for realignment or widening. Extensive engineering analysis and design work will be required in order to develop a feasible plan for replacing the helix. Preliminary planning and conceptual engineering work for the replacement project must begin at this time, to fit in with the overall timeline for maintaining the helix in an operational condition over the next 10 to 15 years, until replacement is undertaken.

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

RESOLVED, that planning work, in an estimated amount of \$5.2 million, to study the structural rehabilitation and repaving of the Lincoln Tunnel (LT) helix, to analyze different staging options and the traffic impacts associated with each, and to conduct a value engineering study and provide a life-cycle cost analysis of different rehabilitation approaches and staging schemes, including planning and engineering services for the structural rehabilitation and repaving of the LT helix that will include field inspection, documentation of existing conditions and preparation of design documents, construction staging and development of an estimated contract cost, be and it hereby is authorized; and it is further

RESOLVED, that planning work, in an estimated amount of \$5 million, to assess the future demand projections and travel market characteristics that will provide a basis to analyze physical and operational alternatives for the replacement of the existing LT helix, including analysis of trans-Hudson capacity constraints by corridor, projected modal distribution of traffic, and ensuring coordination and

consistency with assumptions governing other Port Authority and regional transportation and development plans, and for planning and conceptual engineering services for replacement of the LT helix, including development of design criteria, identification of replacement and staging alternatives, and preparation of a life-cycle cost analysis to compare different replacement options, 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 contracts and agreements in connection with the foregoing planning work shall be subject to the approval of General Counsel or his authorized representative.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – HOTEL MANAGEMENT AGREEMENT AND FRANCHISE AGREEMENT – INCREASE IN AUTHORIZATION

It was recommended that the Board authorize: (1) the Executive Director to retain the services of an asset manager, at an estimated cost of \$250,000 annually, for the up to six-year term of the hotel management and franchise agreement previously authorized in connection with the interim operation of the Ramada Hotel (the Hotel) at John F. Kennedy International Airport (JFK), pending the completion of a Request for Proposals (RFP) for its redevelopment; and (2) a \$3.6 million increase in the amount of the capital reserve fund for the Hotel, resulting in a total authorized amount of \$4.6 million.

In May 2008, the Board authorized the Executive Director to enter into a hotel management agreement with Westminster JFK Management LLC (an affiliate of Westmont Hospitality Group) and a franchise agreement with Ramada Franchise Systems, Inc. (Ramada), or other comparable hotel brand, in connection with the interim operation of the Hotel, following the October 31, 2008 expiration of the ground lease with the existing owner/operator. Continued operation of the Hotel was deemed to be the preferred alternative to closing and demolishing the existing 50-year-old structure, thus avoiding the cost of demolition, continuing to provide the Port Authority's customers at JFK with on-airport hotel services, maintaining the experience of the existing operator and preserving more than 200 on-airport jobs. It also would preserve the asset for redevelopment pursuant to the RFP, to be issued later this year. Jones Lang LaSalle, as hotel consultant to the Port Authority, had determined that the most economically feasible way to secure quality on-airport hotel services at JFK would be to seek developers to upgrade and possibly rebrand the current facility, while allowing them to derive economic benefit from the existing operating hotel and likely enhance the return to the Port Authority as a consequence.

To properly manage and protect the Port Authority's interests in this facility, it was recommended that the services of an experienced hotel asset manager be secured. The agency would greatly benefit from specialized hotel business management expertise in overseeing the Hotel's cash flows, including royalty fees, reservation fees, loyalty program fees and the efficient use of working capital, as well as ensuring that the Hotel meets the hospitality requirements of the airport. In addition, the age of the Hotel, the level of deterioration and the need to carefully oversee and manage investments in building condition require resources, currently unavailable to the facility, that would be provided by an asset manager. The asset manager also could provide staff with assistance in the evaluation of alternative development schemes as part of the RFP process. The costs associated with the asset manager would be treated as an operating expense of the hotel.

The May 2008 Board authorization provided for the advancement of funds from the Port Authority for working capital, in an estimated amount of \$3.3 million, a capital reserve fund of up to \$1 million, to be otherwise funded from Hotel operations, and a franchise agreement, at a cost of \$4 million over a two-year term, that also would be funded from Hotel operations. Subsequent to that authorization, staff determined that the \$1 million authorized for the capital reserve fund would not be sufficient to meet ongoing maintenance and franchise requirements of the Hotel. A recently completed building condition survey identified the need for a number of immediate and priority repairs to building systems and supporting structures, and other conditions required to continue the operation of the Hotel. In addition, Ramada is requiring

certain property improvements in order to maintain the franchise, which could, in turn, result in fewer rooms being available for occupancy, due to room renovation requirements. Much of the capital and some of the maintenance work required has been determined to be the responsibility of the current owner/operator, as part of the building restoration requirements under the existing lease; in order to expedite completion of the work, however, the Port Authority would advance these funds, which are expected to be returned to the Port Authority as a result of negotiations with the current owner/operator, and through the financial results of the Hotel. It is further expected that severance and pension liabilities relating to Hotel staff and other business cessation costs that could result from Hotel closure (a possible outcome of the RFP process), could be advanced from working capital and would be partially recovered from the current owner or be considered as part of the economics of a newly redeveloped hotel.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to retain the services of an asset manager, at an estimated cost of \$250,000 annually, for the up to six-year term of the hotel management and franchise agreement previously authorized in connection with the interim operation of the Ramada Hotel (the Hotel) at John F. Kennedy International Airport (JFK), pending the completion of a Request for Proposals for its redevelopment; and it is further

RESOLVED, that an increase of \$3.6 million in the amount of the capital reserve fund for the Hotel, resulting in a total authorized amount of \$4.6 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to 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.

GEORGE WASHINGTON BRIDGE BUS STATION (GWBBS) – AGREEMENTS FOR THE REDEVELOPMENT OF THE GWBBS WITH GEORGE WASHINGTON BRIDGE BUS STATION DEVELOPMENT VENTURE LLC

It was recommended that the Board authorize the Executive Director, in connection with the proposed redevelopment of the George Washington Bridge Bus Station (GWBBS) facility (the Project), to enter into agreements with George Washington Bridge Bus Station Development Venture LLC (Development Venture), including: (1) an agreement to enter into a lease (Interim Agreement), and (2) an agreement of lease (Net Lease). If, after satisfaction of the conditions in the Interim Agreement, the material terms of the Net Lease are consistent with the terms outlined to the Board, the Net Lease would be executed and commenced without further Board approval; provided, however, that if the material terms of the Net Lease are modified, the modified terms would be submitted to the Board for approval. These proposed agreements relate to the “Request for Proposal (RFP) for the Redevelopment of the George Washington Bridge Bus Station,” issued by the Port Authority on February 24, 2006.

The Interim Agreement would serve as a contract to enter into the Net Lease, provided certain conditions are satisfied by the Port Authority and/or Development Venture, as applicable. The Interim Agreement would be for an initial period of nine months, with a nine-month extension, followed by a six-month extension upon satisfaction of certain conditions (Interim Period). Each extension would be dependent upon satisfaction of certain conditions during the previous period. During the Interim Period, among Development Venture’s obligations would be to deliver to the Port Authority satisfactory evidence of all required financing for the Project and the final construction documents (TAA) for the Project, as approved by the Port Authority. In the event satisfactory evidence of financing has been delivered to the Port Authority, but the TAA has not been approved, the Interim Agreement would be extended for a six-month period. The Port Authority’s obligation during the Interim Period would be to (1) review and approve the TAA submitted by Development Venture in a timely manner, and (2) use commercially reasonable efforts to vacate the GWBBS of all existing holdover retail tenants; however, Development Venture would be required to accept the premises to be leased subject to any remaining holdover tenants, upon payment by the Port Authority of up to \$200,000 to Development Venture.

Under the Net Lease, Development Venture would lease and develop approximately 119,000 square feet of new first-class retail space (Leased Premises). The Net Lease would be for a 49-year term and provide for five ten-year extensions, at Development Venture’s option. The total aggregate guaranteed base rent amount for the initial 49-year term would be approximately \$53 million. The Net Lease would provide for a prepaid guaranteed base rental of \$6.44 million for the first 10 years, with annual guaranteed base rent payments of \$1 million for years 11 through 49, subject to five-percent increases every five years, beginning in year 16. Development Venture would be responsible for all costs related to financing, designing, construction, operation and maintenance of the Leased Premises, including the relocation and/or modification of existing systems and utilities at the GWBBS, as necessary to develop the Leased Premises, at an estimated cost of approximately \$102 million. The Net Lease also would obligate Development Venture, on behalf of the Port Authority and in accordance with Port Authority design criteria, to redevelop and construct new consolidated spaces for the GWBBS areas not leased to Development Venture, including spaces for bus and support operations, at a fixed cost to the Port Authority not to exceed \$49.5 million (or such other amount as the Board may authorize). Additional costs of approximately \$28.7 million would be incurred for Port Authority

construction design review and oversight and financial expense, bringing the total project cost to \$78.2 million.

Development Venture is a joint venture of Acadia – P/A GWB LLC (Acadia-P/A) and Crown GWB LLC.

In December 2006, following the RFP issued in February 2006, the Board authorized a 120-day exclusivity period to allow Development Venture to complete due diligence and to allow the Port Authority to negotiate a number of business terms to optimize the return to the Port Authority. Briefing memos were provided to the Board, advising that staff members have engaged in productive negotiations beyond the May 14, 2007 expiration of the initial term of the exclusivity agreement on a wide range of issues, including safety and security requirements, retail layout and the development of a conceptual plan that would balance the efficiency of the bus operations with the proposed development. Development Venture's original proposal to add to, and build over, the entire East Building to create 385,000 square feet of retail space, after diligent analysis, was determined to be cost prohibitive to meet the required life safety standards to comply with National Fire Protection Association standards. Accordingly, Development Venture was required to find a cost-effective approach to comply with its redevelopment plans. Staff worked closely with Development Venture to identify a more cost-effective approach to address the life safety issues. As a result, Development Venture reduced the scope of the originally proposed approximately 385,000 square feet of first-class retail development, to approximately 119,000 square feet of first-class retail space, distributed between and contained within the existing East and West Buildings.

The GWBBS redevelopment project would improve the efficiency of the bus operations, bring new construction and permanent jobs to the community, and bring new retail to the underserved area, Washington Heights, surrounding the GWBBS. Commuters would benefit from higher quality service, including access required by the Americans with Disabilities Act via enhanced vertical circulation, improved electronic communications, air-conditioned interior spaces, new transit-oriented retail at the facility and an enhanced architectural quality compared to the existing space. This redevelopment would have a positive environmental impact, as the redevelopment would comply with Port Authority sustainability goals. Overall, this redevelopment would be viewed favorably by elected and community leaders who are concerned about the Port Authority's ongoing commitment to maintain this important facility in the Washington Heights neighborhood.

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

RESOLVED, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, in connection with the George Washington Bridge Bus Station facility, to enter into agreements with George Washington Bridge Bus Station Development Venture LLC, including: (1) an Agreement to Enter Into Lease (Interim Agreement), and (2) an Agreement of Lease (Net Lease); if, after satisfaction of the conditions of the Interim Agreement, the material terms of the Net Lease are consistent with the terms outlined to the Board, the Net Lease will be executed and commenced without further Board approval; provided, however, that if the material terms of the Net Lease are modified, the modified terms will be

submitted to the Board for approval; each agreement 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.

PORT AUTHORITY AUTO MARINE TERMINAL -- BMW OF NORTH AMERICA, LLC – NEW LEASE

It was recommended that the Board authorize the Executive Director to enter into an agreement of lease with BMW of North America, LLC (BMW), providing for the letting of an approximate ten-acre open area and the use of an additional five-acre open area for the unloading, staging, preparation and processing of imported vehicles at the Port Authority Auto Marine Terminal (AMT) for an approximately ten-year, five-month term. The covered property is in addition to BMW's existing leasehold at the AMT. Both lease agreements would be coterminous, expiring in 2019.

The total aggregate rental is expected to be between \$10.6 million and \$11.6 million, depending on escalations and throughput, and after deducting rent incentives and costs associated with Port Authority investment and required maintenance responsibilities. BMW would have the right to terminate the new lease, effective November 30, 2014, on one year's prior notice.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Hochberg, Holmes, 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 of lease with BMW of North America, LLC, providing for the letting of an approximate ten-acre open area and the use of an additional five-acre open area for the unloading, staging, preparation and processing of imported vehicles at the Port Authority Auto Marine Terminal, substantially in accordance with the terms outlined to the Board; and it is further

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

**PORT NEWARK – BP PRODUCTS NORTH AMERICA INC. – L-NS-957 –
SUPPLEMENT NO. 5**

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement with BP Products North America Inc. (BP Products) to extend the term of Lease L-NS-957 (the Lease) at Port Newark (PN), covering 700 linear feet of Berth 21, 100 linear feet of Berth 19 and approximately 11 acres of open upland area, for use as a petroleum storage and distribution facility for a 15-year period, commencing March 1, 2005 through February 29, 2020, and to enter into such other related agreements, execute such other documents and take all other action necessary and appropriate to effectuate the terms and conditions of the Lease, as amended.

BP Products would pay a basic rental that would escalate annually during the extension period, based on a formula set forth in the Lease, and an annual throughput rental. The Port Authority would have the right to terminate the Lease, without cause, effective from and after February 28, 2018, upon two years' prior written notice, and BP Products would have the right to terminate the Lease, without cause, on the last day of the seventh year of the extension period.

The premises are situated within an area that is part of an ongoing New Jersey Department of Environmental Protection (NJDEP) case site investigation, due to subsurface contamination. The Lease supplement would require BP Products to complete a subsurface environmental baseline investigation (Environmental Investigation) of the premises. In the event the Environmental Investigation reveals contamination in the soil or groundwater of the premises, BP Products would be obligated to develop and implement a Remedial Action Workplan (Workplan), concurred in by the Port Authority and approved by the NJDEP, to remediate such contamination, except for historic fill. If active remediation of petroleum does not adequately remediate the premises, the supplement would permit BP Products to utilize engineering and institutional controls. If the approved Workplan includes engineering and institutional controls or any limitation on the use of the premises or the facility, within 90 days of the approval of the Workplan by the NJDEP, BP Products would pay the Port Authority \$3.5 million to compensate the Port Authority for the impairment of the premises.

Upon execution of the supplement, BP Products would deliver to the Port Authority a letter of credit (LOC) in the amount of \$2 million, to cover BP's environmental obligations under the Lease. The LOC would be held by the Port Authority until BP Products receives a "no further action" letter from the NJDEP, or the LOC is replaced with a letter of credit in the amount of the estimated costs, as agreed to by the Port Authority and BP Products, to remediate contamination discovered in the Environmental Investigation. In addition, BP Corporation North America Inc., the parent company of BP Products, would provide a guarantee of BP Products' environmental obligations under the Lease until the earlier of the issuance of a "no further action" letter by the NJDEP or the delivery of the replacement letter of credit to the Port Authority.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Hochberg, Holmes, 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 BP Products North America Inc. to extend the term of Lease L-NS-957 (the Lease) for a 15-year term, commencing March 1, 2005, substantially in accordance with the terms outlined to the Board, and to enter into such other related agreements, execute such other documents and take all other action necessary and appropriate to effectuate the terms and conditions of the Lease, as amended; and it is further

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

PORT NEWARK – DONJON MARINE CO., INC. – SETTLEMENT AGREEMENT REGARDING A DISPUTE RELATED TO CERTAIN LEASEHOLDS AND PERMITS CONCERNING BERTHS 5, 7, 18, 20, 22, 36 AND 63 – LEASES LPN-285 AND LPN-290 – AWARD OF CONTRACT FOR BERTH MAINTENANCE DREDGING

It was recommended that the Board authorize the Executive Director to enter into an agreement settling a dispute with Donjon Marine Co., Inc. (Donjon), relating to its occupancy of certain areas at Port Newark (PN) and the partial collapse of a wharf structure at the corner of Berths 36 and 63, and to implement the terms of that settlement agreement by instituting a civil action against Donjon and entering into the following agreements: (1) a sole-source contract with Donjon providing for the maintenance dredging of Berths 18, 20 and 22 at PN, without charge to the Port Authority, at an estimated cost to Donjon of \$4.4 million; (2) an agreement of lease for the letting of approximately 1,924 linear feet of berth and 75,600 square feet of upland open area at Berths 5, 7 and 22 at PN, for use as a tie-up area for Donjon's vessels; and (3) a separate agreement of lease for the letting of approximately 700 linear feet of berth and 93,750 square feet of upland open area at Berth 36 at PN, for the processing of dredged material. Each lease agreement would be for a five-year term, with a renewal term of up to an additional five years, in each case, subject to mutual consent. The total aggregate rental for both leases together is expected to be between \$5.1 million and \$5.2 million.

Donjon has been a tenant at PN since 1977 and currently occupies approximately 2,531 linear feet of berth and four acres of upland open area at Berths 5, 7, 18, 20, 22 and 36 at Port Newark on a month-to-month basis under Lease LPN-119, and Space Permits MNS-256, MNS-267 and MNS-266. Donjon is a processor of dredged material in the New York and New Jersey Harbor under various contracts with the U.S. Army Corps of Engineers, the Port Authority and private interests.

Based on available information, the Port Authority has asserted that, on October 26, 2006, Donjon ignored the established weight limitations for the wharf at Berth 36 and overloaded the area with rock material, which resulted in the partial collapse of the wharf structure at the corner of Berths 36 and 63. Donjon denies liability and contends that the damage was caused by a customer of Donjon, for which there exists insurance coverage.

Following unsuccessful settlement discussions, legal action was pursued against Donjon. On March 28, 2008, Donjon was served with Notices to Quit and Demand for Possession (Notices) for the areas occupied under its four agreements. During the investigation of the Berth 36/63 incident, it was determined that Donjon was occupying space on a month-to-month basis under its agreements at PN, and did not have an executed agreement in place for the area it was utilizing at Berth 36 at the time of the incident. Consequently, Donjon's holdover status under all four of its agreements was revoked. Subsequently, staff resumed negotiations with Donjon for a settlement, withdrew the Notices and entered into a Memorandum of Understanding with Donjon, subject to approval by the Board, setting forth the terms and conditions of the proposed settlement agreement.

As part of the settlement, Donjon would relocate its marine repair and salvaging operation from Berths 18 and 20 to Berth 7, and would surrender Berths 18 and 20.

Upon the Port Authority's initiation of its civil action against Donjon for the partial collapse of the wharf structure, Donjon would file third-party claims, as appropriate. When the Port Authority's action and/or the related third-party claims are resolved, either by way of judgment or settlement, Donjon would receive the first \$4.4 million and the Port Authority would receive any sums in excess of \$4.4 million.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Hochberg, Holmes, 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 settlement agreement with Donjon Marine Co., Inc. (Donjon), and to implement the terms of that settlement agreement by instituting a civil action against Donjon and entering into: (1) a sole-source contract with Donjon providing for the maintenance dredging of certain berths at Port Newark (PN); (2) an agreement of lease for the letting of approximately 1,924 linear feet of berth area and approximately 75,600 square feet of open area at Berths 5, 7 and 22 at PN, for use as a tie-up area for Donjon's vessels; and (3) a separate agreement of lease for the letting of approximately 700 linear feet of berth area and approximately 93,750 square feet of upland open area at Berth 36 at PN, for the processing of dredged material; in each case, substantially in accordance with the terms outlined to the Board; 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.

HOLLAND TUNNEL – REHABILITATION OF NEW YORK EXIT PLAZA A/K/A ST. JOHN’S ROTARY - CONVEYANCE OF PROPERTY RIGHTS TO THE CITY OF NEW YORK THROUGH ITS DEPARTMENT OF ENVIRONMENTAL PROTECTION

It was recommended that the Board authorize the Executive Director to: (1) amend an existing easement agreement to grant to the City of New York, acting through the New York City Department of Environmental Protection (NYCDEP), additional permanent property rights necessary for the implementation of a revised design for access to water mains and the installation of cathodic protection for Distribution Shaft 29B of Water Tunnel No. 3, located underground at Parcel ‘A,’ between Exits 1 and 2, at the Holland Tunnel New York Exit Plaza, a/k/a St. John’s Rotary (Rotary); (2) grant a license for temporary property rights for NYCDEP to use and occupy a portion of the Rotary at Parcel ‘A,’ to complete the permanent work; and (3) enter into any other agreements necessary to effectuate these actions, including title company agreements, surveys, etc., at no cost to the Port Authority.

In March 2003, the Board authorized a project to rehabilitate the Rotary, to improve traffic flow and enhance pedestrian safety, including the award of construction contracts to effectuate the project. The Board also authorized granting permanent property rights to NYCDEP, consisting of 2,418 square feet (sq. ft.), and a license for NYCDEP’s temporary use of the areas between Exits 1 and 2, consisting of approximately 18,544 sq. ft., and Exits 2 and 3, consisting of approximately 6,840 sq. ft., for construction of Distribution Shaft 29B to Water Tunnel No. 3, which license areas are identified, respectively, as Parcels ‘A’ and ‘B’ in the Easement Agreement, dated June 9, 2004. In return for the granting of these temporary and permanent property rights for Shaft 29B, NYCDEP agreed, at its own expense, to restore Parcels ‘A’ and ‘B’ and complete the landscaping of its occupied areas of the Rotary.

In June 2008, NYCDEP notified the Port Authority of a delay of three to four years in the start of Shaft 29B’s equipment installation contract, due to its system-wide requirements to complete construction work at another shaft (Shaft 26B) prior to Shaft 29B. Due to the delay in commencement of this work until 2011, NYCDEP has agreed to immediately restore Parcels ‘A’ and ‘B,’ as well as to provide a gated access road from Hudson Street to the Rotary for maintenance uses, at no cost to the Port Authority. In connection with NYCDEP’s remaining contracts, NYCDEP has requested an additional license for a temporary construction easement of approximately 3,000 sq. ft. at Parcel ‘A,’ an additional permanent easement of approximately 620 sq. ft., increasing the 2,418 sq. ft. of permanent rights granted to NYCDEP in 2004 to a total of approximately 3,038 sq. ft., and a time extension until approximately 2014 to complete its additional construction contracts. Based on NYCDEP’s revised construction schedule, which has an anticipated duration from 2011 to 2014, NYCDEP will notify the local community that it plans to return in 2011 to complete its construction work for Shaft 29B, and that it will again restore the affected landscaped areas it disturbs.

Granting NYCDEP additional permanent and temporary property rights would enable NYCDEP to implement a revised design to connect water mains to Shaft 29B, to install cathodic protection, and to provide manholes for access and surface monitoring of the water mains. The Rotary is part of a gateway facility to the traveling public entering New York City, and completion of the rehabilitation for the Rotary will help maintain its state of good repair, and the landscaped restoration will provide an additional park area for community use.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Hochberg, Holmes, 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: (1) amend an existing easement agreement to grant to the City of New York (the City), acting through the New York City Department of Environmental Protection (NYCDEP), additional permanent property rights, consisting of approximately 620 square feet, for a total area of approximately 3,038 square feet, for Distribution Shaft 29B of Water Tunnel No. 3, located underground at the Holland Tunnel New York Exit Plaza, a/k/a St. John's Rotary (Rotary); (2) grant a license for temporary property rights of approximately 3,000 square feet for NYCDEP to use and occupy a portion of the Rotary, located between Exits 1 and 2 at the Rotary, to complete the permanent work; and (3) enter into any other agreements necessary to effectuate these actions, including title company agreements, surveys, etc., at no cost to the Port Authority; and it is further

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

NEW JERSEY CONSTRUCTION PRE-APPRENTICESHIP TRAINING PROGRAM – PARTICIPATION AGREEMENT

It was recommended that the Board authorize the Executive Director to enter into an agreement with the Construction Industry Advancement Program of New Jersey (CIAP) to renew the Port Authority's participation in its New Jersey Pathways program for a two-year period, at a cost not to exceed \$50,000 per year.

Since 1995, the Port Authority has contributed funds to finance the development of pre-apprenticeship construction training programs in both New York and New Jersey. CIAP is a non-profit organization established primarily to promote the New Jersey construction industry and construction careers. In 2001, the Port Authority entered into an agreement with CIAP to develop a pilot workforce program, New Jersey Pathways, that would focus on exposing and preparing local high school students, including minorities and women, for construction trades apprenticeship opportunities. In 2004, the Board renewed the Port Authority's participation in the program for an additional three-year period, at a total cost of \$150,000.

The Port Authority currently participates in Newark/Essex County Construction Careers, a pre-apprenticeship training program administered by the New Jersey Institute of Social Justice. The program prepares urban residents to join the 18 construction and building trades unions represented in Essex County. The resumption of Port Authority support of CIAP's program would expand our geographic recruitment area and pool of participating trade unions.

New Jersey Pathways is an eight-week preparatory training course designed to expose students from Passaic, Bergen and Union County and Elizabeth vocational and technical high schools to the opportunities available in the skilled trades. The program provides classroom training, on-the-job instruction in specific trade skills, math and reading tutorials and summer internships. Since its inception in 2001, more than 500 students have participated in New Jersey Pathways. Participating unions include the Construction and General Laborers, the International Union of Operating Engineers, the District Council of New Jersey Ironworkers and the Central New Jersey Regional Council of Carpenters.

The Port Authority has participated in a similar program in New York since 1995, Construction Skills 2000, a partnership with the Building and Construction Trades Council of Greater New York, the Building Trades Employers Association of New York, and the Department of Education of the City of New York.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Hochberg, Holmes, 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 the Construction Industry Advancement Program of New Jersey to renew the Port Authority's participation in the New Jersey Pathways construction pre-apprenticeship training program for a two-year period, at a cost not to exceed \$50,000 per year; and it is further

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

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

It was recommended that the Board authorize General Counsel to settle a personal injury claim in the action entitled, “Harriet Martin v. The Port Authority of New York and New Jersey,” in the amount of \$1.25 million, inclusive of liens, attorneys’ fees, costs and disbursements. Plaintiff has provided a General Release, a Hold Harmless Stipulation and a Stipulation of Discontinuance with Prejudice, which are being held in escrow pending finalization of this settlement.

On May 19, 2002, plaintiff, Harriet Martin, who was 49 years old at the time of the incident, alleges that she slipped and fell on a sidewalk at the Grand Central Parkway Service Road, 94th Street Entrance, at LaGuardia Airport. Plaintiff sustained various personal injuries, requiring medical attention, and a loss of time and wages from work, as a result of this incident. Plaintiff is responsible for the satisfaction of all liens.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Hochberg, Holmes, 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 settle the action entitled, “Harriet Martin v. The Port Authority of New York and New Jersey,” in the amount of \$1.25 million, inclusive of liens, attorneys’ fees, costs and disbursements.

NEW JERSEY MARINE TERMINALS – ACQUISITION OF CERTAIN PROPERTY IN BAYONNE, NEW JERSEY FOR MARINE TERMINAL PURPOSES AND PURPOSES INCIDENTAL THERETO

It was recommended that the Board provide for the Port Authority to acquire, to the extent of its statutory authority, through negotiation, purchase or condemnation, fee simple absolute title to property interests in certain lands, and associated rights and interests, adjacent to Lot 1, Block 400, Bayonne, New Jersey (the acquisition of which the Board authorized at its meeting of December 18, 2007), identified in a Redevelopment Agreement, dated March 24, 2008, by and between the Bayonne Local Redevelopment Authority (BLRA) and Capital Growth Realty Holdings, LLC and Pulaski Street Real Estate, LLC (the owner of Lot 1), as the BLRA Parcel, the Pulaski Parcel and Access Road, for marine terminal purposes and purposes incidental thereto.

At its meeting of December 18, 2007, the Board authorized the acquisition, to the extent of the Port Authority's statutory authority, of the real property generally shown and identified on the Tax Map of the City of Bayonne, County of Hudson, State of New Jersey, dated August 2003, as Block 400, Lots 1, 2 and 3, for statutorily authorized marine terminal purposes and purposes incidental thereto. Subsequently, the owner of Lot 1, Pulaski Street Real Estate, LLC, and a related company, Capital Growth Realty Holdings, LLC (the Project Developer), entered into a Redevelopment Agreement, dated March 24, 2008, with the BLRA. The Redevelopment Agreement contains, as an exhibit, a letter dated January 25, 2008 from the Port Authority to the owner of Lot 1, advising that the Port Authority has been authorized to acquire Lot 1.

In the Redevelopment Agreement, among other provisions, the BLRA agreed to convey to the Project Developer title to a certain BLRA Parcel consisting of approximately 11.4 acres adjacent to, and to the south of, Lot 1, shown as Proposed Lot 2, Block 1190, on a map entitled *Preliminary/Final Minor Subdivision Plan The Peninsula At Bayonne Harbor Lot 1 Block 1190 Situated In The City of Bayonne, Hudson County, New Jersey*, along with access easement rights to a certain Pulaski Parcel, adjacent to Lot 1 (sometimes also referred to as the Pulaski Street Access Parcel), now owned by the BLRA, and to an Access Road which the BLRA is planning to construct on BLRA lands adjacent to the BLRA Parcel. The Redevelopment Agreement, subject to the Project Developer's obtaining certain approvals, and on various conditions, provided a closing on the BLRA Parcel occurred, would enable the Project Developer to develop a truck terminal project which would include Lot 1, the BLRA Parcel and rights of access over the Pulaski Parcel and the Access Road.

The Port Authority can utilize the 11.4-acre BLRA Parcel, together with Lot 1, Block 400, for marine terminal purposes and purposes incidental thereto. Certain use restrictions and other conditions imposed by the BLRA would run with the land, binding successor owners of the property, and would require the BLRA's consent to eliminate, if necessary. Also, the New Jersey Department of Environmental Protection (NJDEP) Waterfront Development Permit obtained by the BLRA for work on the BLRA Parcel, the Pulaski Parcel and the Access Road authorizes, among other matters, a tractor-trailer marshalling yard with parking for 215 tractor-trailers. An alternate use by the Port Authority may require NJDEP approval of a permit modification. All applicable environmental permits or permit amendments will be obtained for development of the real estate to be acquired.

Together with other Port Authority marine terminal initiatives in Newark, Elizabeth, Bayonne, and Jersey City, the development of the Bayonne/Jersey City waterfront for marine terminal purposes and purposes incidental thereto will be for purposes authorized by bi-state legislation applicable to the Port Authority.

This action shall not be made available for public inspection until such time as it becomes a matter of public record, in connection with the property acquisition process.

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

RESOLVED, that it is hereby found and determined that it is necessary for public use for marine terminal purposes and purposes incidental thereto for the Port Authority to acquire, to the extent of the Port Authority's statutory authority: (1) fee simple absolute title to certain real property, namely, a parcel (the BLRA Parcel) containing approximately 11.4 acres, generally shown and designated as Proposed Lot 2, Block 1190 on a map entitled *Preliminary/Final Minor Subdivision Plan The Peninsula At Bayonne Harbor Lot 1 Block 1190 Situated In The City of Bayonne, Hudson County, New Jersey*, prepared by LGA Engineering Inc., dated February 15, 2008, as such may be amended, and filed or about to be filed in the Hudson County Clerk's Office; (2) fee simple absolute title to, or a lesser interest in, a certain Pulaski Street Access Parcel, also known as the Pulaski Parcel, containing approximately 0.884 acres, shown and described in a Declaration of Taking signed on February 1, 2008 and filed in a Civil Action in Condemnation in the Superior Court of New Jersey, Law Division: Hudson County, Docket No. L 623-08; and (3) fee simple absolute title to, or a lesser interest in, a certain parcel identified as the Access Road, providing access between the parcel identified in (1), above, and Pulaski Street, in a certain Easement Agreement and Deed of Easement for Temporary and Permanent Access Easements between the Bayonne Local Redevelopment Authority (BLRA), Grantor, and Capital Growth Realty Holdings, LLC and Pulaski Street Real Estate, LLC, Grantees, signed March 25, 2008, on behalf of the BLRA, and, with respect to items (1), (2) and (3), above, associated rights and interests by way of agreements or otherwise; the property corner coordinates, the areas and the bearings and distances of which are subject to verification and correction by a survey prepared by a licensed Professional Land Surveyor; and it is further

RESOLVED, that the Executive Director and/or General Counsel, either one acting individually, be and they each hereby are authorized, for and on behalf of the Port Authority, to acquire, to the extent of the Port Authority's statutory authority, fee simple absolute title to, or a lesser interest in, such real property which the Port Authority has hereby determined that it is necessary to acquire, by negotiation or purchase, or by condemnation pursuant to applicable law; to incur all related costs and expenses and execute all related documents, including, without limitation, conveyances relating to the transfer of property interests to or from the Port Authority, and agreements with the City of Bayonne and the BLRA and other public and private entities, involving, among other matters, payments in lieu of taxes, maintenance and jurisdiction, use and occupancy, utilities and utility relocation, environmental studies, appraisals, surveys, title searches and title insurance, including

agreements with consultants, as may be necessary to effectuate the foregoing; and to obtain environmental permits and approvals; and it is further

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

TRIBUTE TO CHRISTINE A. FERER

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner Christine A. Ferer as she retires from the Board.

WHEREAS, since her appointment to the Board in June 2004 by former New York Governor George E. Pataki, Hon. Christine A. Ferer has given tirelessly of her time, ability and experience in the furtherance of the Port Authority's mission; and

WHEREAS, Christine A. Ferer has been instrumental in the advancement of numerous projects concerning the redevelopment of the World Trade Center site and Lower Manhattan; and

WHEREAS, Christine A. Ferer has been an advocate and influential voice for the families of those who lost loved ones on September 11, 2001, and has worked tirelessly to ensure that documentation of the events of September 11 was prominently displayed at the World Trade Center site, for the people of the region and for visitors around the world to view; and

WHEREAS, Commissioner Ferer has demonstrated a great commitment to innovative programs, including art for the public, which will serve to enrich the experience of customers who use the Port Authority's airport facilities; and

WHEREAS, as a Commissioner, Christine A. Ferer has served with great distinction as a member of the World Trade Center Redevelopment Subcommittee, the Committee on Operations and the Committee on Capital Programs/Agency Planning, where she helped shape a myriad of important initiatives in furtherance of the agency's mission; and

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey wish to express their most heartfelt appreciation, and that of the entire staff, to Christine A. Ferer for her dedicated service on the Board of Commissioners; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Hon. Christine A. Ferer as a token of its gratitude and esteem.

Whereupon, the meeting was adjourned.

Secretary