THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Wednesday, October 8, 2008

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, October 8, 2008 at 115 Broadway, City, County and State of New York

PRESENT:

NEW JERSEY	**NEW YORK**
Hon. Anthony R. Coscia, Chairman	Hon. Henry R. Silverman, Vice Chairman
Hon. Virginia S. Bauer	Hon. Bruce A. Blakeman
Hon. Anthony J. Sartor	Hon. Fred P. Hochberg
Hon. David S. Steiner	

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

A. Paul Blanco, Chief Financial Officer
Arpan Dasgupta, Executive Assistant to the Deputy Executive Director
Michael B. Francois, Chief, Real Estate & Development
Glenn P. Guzi, Client Manager, Government & Community Affairs
Linda C. Handel, Assistant Secretary
Sanjay S. Mody, Advisor to the Chairman
Stephen P. Plate, Director, World Trade Center Construction
Stephen H. Sigmund, Chief, Public and Government Affairs
Andrew S. Warshaw, Chief of Staff to the Executive Director
Peter J. Zipf, Deputy Chief Engineer/Director of Engineering

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

The public meeting was called to order by Chairman Coscia at 11:45 a.m. and ended at 11:56 a.m. The Board met in executive session prior to the public session. Commissioner Pocino was present for the executive session.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on October 2, 2008, which included matters involving external or internal audits or investigations, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public session at its meeting on October 8, 2008, which included discussion of various trade contracts for the advancement of construction activities in connection with the redevelopment of the World Trade Center site and a review of the Lower Manhattan Construction Command Center's budget, and the report was received.

The Executive Director reported on the status of public outreach efforts in connection with redevelopment activities at the World Trade Center site.

An update was provided by staff on construction activities at the World Trade Center site.

DOWNTOWN RESTORATION PROGRAM – AUTHORIZATION TO ACCEPT ASSIGNMENT OF A TRADE CONTRACT FOR ELECTRICAL – BRANCH DISTRIBUTION FOR THE WORLD TRADE CENTER (WTC) MEMORIAL, MEMORIAL MUSEUM AND WTC INFRASTRUCTURE PROJECTS, INCLUDING ASSOCIATED PAYMENTS INTO AN ESCROW ACCOUNT

It was recommended that the Board authorize the Executive Director to: (1) accept an assignment of a construction trade contract awarded to Five Star Electric Corporation by the National September 11th Memorial and Museum at the World Trade Center Foundation, Inc. (NS11MM) for the furnishing, installation and testing of an electrical lighting and power distribution system for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, in an estimated total amount of $37,260,000, inclusive of an eight-percent authorization for extra work; (2) accept a partial assignment of the NS11MM's contract with Bovis Lend Lease LMB, Inc. (Bovis) for construction management (CM) services associated with this trade contract, at an estimated cost of $5,117,592; and (3) make payments into an escrow account, in an amount not to exceed $6,499,959, for the Port Authority's portion of the costs associated with the electrical lighting and power distribution system and CM services contracts. Each of these authorizations would be conditioned upon the execution of a cost-sharing agreement between the NS11MM and the Port Authority.

Pursuant to a July 2006 Project Agreement with the Lower Manhattan Development Corporation, the NS11MM, the City of New York and the State of New York, the Port Authority is to assume responsibility for construction of the WTC Memorial and Memorial Museum Projects.

In December 2006, the Board authorized the Executive Director to finalize agreements with the NS11MM providing for the Port Authority to accept an assignment of the CM contract with Bovis and to manage all construction work for the WTC Memorial and Memorial Museum Projects. In anticipation of the assignment of the Bovis CM contract, the NS11MM proceeded with procurement of the electrical lighting and power distribution system, as an essential component of the critical path schedule for the WTC Memorial and Memorial Museum Projects.

The NS11MM will award the electrical lighting and power distribution system trade contract to Five Star Electric Corporation, the lowest qualified bidder, selected from among multiple competitive bids based on a list of select bidders established in the Bovis CM contract. The scope of work for the electrical lighting and power distribution system trade contract includes the furnishing, installation and testing of all elements of a complete electrical lighting and power distribution system for the WTC Memorial, Memorial Museum and WTC Infrastructure Projects.

Approximately $6.2 million of the proposed Port Authority payments is included in the $150 million commitment authorized by the Board in July 2006 for common and exclusive site infrastructure work associated with the WTC Memorial and Memorial Museum Projects, bringing the total authorized payments under this commitment to $96.5 million.

An escrow account was jointly established and initially funded by the NS11MM to provide for contractor payments. The Port Authority previously had agreed to make payments into the escrow account of $161.2 million, and the proposed authorization would bring total anticipated Port Authority payments to approximately $167.7 million.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to, subject to the execution of a cost-sharing agreement between the Port Authority and the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (NS11MM): (1) accept assignment of a construction trade contract awarded by the NS11MM to Five Star Electric Corporation, in connection with the furnishing, installation and testing of an electrical lighting and power distribution system for the World Trade Center Memorial, Memorial Museum, and World Trade Center Infrastructure Projects, in an estimated total amount of $37,260,000, which includes an eight-percent authorization for extra work; (2) accept a partial assignment of the NS11MM's contract with Bovis Lend Lease LMB, Inc. for construction management services associated with this trade contract, at an estimated cost of $5,117,592; and (3) make payments into an escrow account, in an amount not to exceed $6,499,959, to be used for the payment of the Port Authority's portion of the costs associated with the construction of an electrical lighting and power distribution system for the aforementioned projects; and it is further

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

Whereupon, the meeting was adjourned.

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Secretary