

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Wednesday, July 24, 2013

Action on Minutes	150
Documents Filed with the Board	150
Report of Committee on Capital Planning, Execution and Asset Management	150
Report of Committee on Operations	151
Report of Committee on Finance	151
Report of Committee on Security	151
Report of Committees on Operations and Security	151
Report of World Trade Center Redevelopment Subcommittee	152
Chairman's Report	152
LaGuardia Airport – Site, Building and Utility Infrastructure – Program Authorization	153
Newark Liberty International Airport – Rehabilitation of Runway 4L-22R and Implementation of Delay Reduction Initiatives – Project Authorization	156
Newark Liberty International Airport – Terminal A Redevelopment Program – Phase II Planning – Authorization of Additional Funds	158
Holland Tunnel – Electrical and Mechanical Rehabilitation of Ventilation System Equipment – Project Reauthorization and Increase to Contract Award	160
Goethals Bridge Interchange Ramps Project – Project Authorization	163
Port Jersey-Port Authority Marine Terminal – Cape Liberty Cruise Port, LLC and Royal Caribbean Cruise Lines, Ltd. – Amended Agreements	166
Port Newark – Swift Fuel Stops, Inc. – Lease LPN-235 – Supplemental Agreement	168
Downtown Restoration Program – Authorization of Additional World Trade Center Contract Actions and Expenses to Support Post-Hurricane Sandy Recovery and Mitigation Work	170
World Trade Center (WTC) Site – Retention of Specialized Professional Services for WTC Site Redevelopment on an As-needed Basis	172

One World Trade Center – Amendment to Agreement with Affiliates of The Durst Organization – Acceleration of Property Management Agreement and Addition of Construction Management Services for a Tenant Prebuilt Program and Lobby Fit-outs	174
Tribute to Susan M. Baer	176
Tribute to Kirby King	178

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, July 24, 2013 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

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

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. Kenneth Lipper
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. Basil A. Paterson
 Hon. Rossana Rosado

Patrick J. Foye, Executive Director
 William Baroni, Jr., Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Maria E. Bordas, Manager, Business Analysis and Developmental Performance, Aviation
 Thomas L. Bosco, Interim Director, Aviation
 Patricia A. Clark, Senior Advisor, Policy, Aviation
 Steven J. Coleman, Deputy Director, Media Relations
 Philippe Danielides, Senior Advisor to the Chairman
 Stephanie E. Dawson, Acting Chief Operating Officer
 John C. Denise, Audio Visual Supervisor, Marketing
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 Joseph P. Dunne, Chief Security Officer
 Michael B. Francois, Chief, Real Estate and Development
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 David Garten, Senior Advisor to the Vice Chairman
 Lash L. Green, Director, Office of Business Diversity and Civil Rights
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Chief, Human Capital
 Anthony Hayes, Manager, Media Planning, Media Relations
 Jonathan Hayes, Management Intern, Human Resources
 Mark Hoffer, Director, New Port Initiatives, Port Commerce Department
 David A. Kagan, Assistant Director, Properties and Commercial Development, Aviation
 Stephen Kingsberry, Director, Rail Transit
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Patrick Lanza, Acting Chief Technology Officer
 Richard M. Larrabee, Director, Port Commerce
 John J. Liantonio, Senior External Relations Client Manager, Government and Community Affairs
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Esq., Law
 Michael G. Massiah, Director, Management and Budget
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary

Camille T. Moglia, Senior Business Manager, Office of the Chief Financial Officer
 Jeanne M. Olivier, Assistant Director, Security and Technology, Aviation
 Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
 Shane J. Robinson, Staff External Affairs Representative, Government and Community Affairs
 Gerald B. Stoughton, Director, Financial Analysis
 David B. Tweedy, Chief, Capital Programs
 I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office
 Christopher M. Valens, Senior Public Information Officer, Media Relations
 Lillian D. Valenti, Director, Procurement
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
 David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive
 Director
 Cheryl A. Yetka, Assistant Director, Financial Services, Aviation
 Peter J. Zipf, Chief Engineer

Guests:

Susan M. Baer, Port Authority Retiree
 Regina Egea, Director, Authorities Unit, Office of the Governor of New Jersey
 Kirby King, Port Authority Retiree
 Jeanine M. Thompson, Assistant Secretary for Transportation, State of New York

Speakers:

Christian Aguilar, Unite Here
 Marcus Babzien, Member of the Public
 Murray Bodin, Member of the Public
 Stefan Brems, Member of the Public
 Margaret Donovan, Twin Towers Alliance
 Richard Hughes, Twin Towers Alliance
 Bowen Kyles, Unite Here
 Connie Morales, Member of the Public
 Juan Morales, Police Officer, Port Authority
 Stephen H. Sigmund, Executive Director, Global Gateway Alliance
 Neile Weissman, Member of the Public

The public meeting was called to order by Chairman Samson at 2:30 p.m. and ended at 3:24 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of June 26, 2013. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on June 27, 2013. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on July 12, 2013.

Whereupon, the Board unanimously approved the Minutes of the meeting of June 26, 2013, including the Minutes of the special meeting of the Committee on Operations.

Documents Filed with the Board

It was reported that the comment period for the modification to Rules and Regulations of the Marine Terminal Tariff – Federal Maritime Commission Schedule No. PA-10, which was filed with the Board on June 12, 2013, had expired.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in executive session at its meeting on July 16, 2013, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, 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 matters in which the release of information could impair a right to receive funds from the United States or other grantor, and the report was received.

The Committee on Capital Planning, Execution and Asset Management also reported, for information, on matters discussed in public session at its meeting on July 24, 2013, which included discussion of a project for the rehabilitation of the ventilation system for the Holland Tunnel, a project for Interstate 278 and U.S. Routes 1&9 corridor access improvements in the vicinity of the New Jersey side of the Goethals Bridge, a program for the construction of site, building and utility infrastructure improvements at LaGuardia Airport, planning work in connection with the redevelopment of Terminal A at Newark Liberty International Airport, a project for the rehabilitation of Runway 4L-22R at Newark Liberty International Airport and related access improvements, and a review of the Port Authority's Minority, Women-Owned and Small Business Enterprise participation results for 2012, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on July 16, 2013, which included discussion of matters related to personnel and personnel procedures, matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

The Committee on Operations also reported, for information, on matters discussed in public and executive sessions at its meeting on July 24, 2013, which included discussion of amendments to certain agreements associated with the cruise terminal operation located at the Port Jersey-Port Authority Marine Terminal, a lease supplement for the continued operation of a fuel service station at Port Newark, a review of overtime results for the second quarter 2013, and 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 Finance

The Committee on Finance reported, for information, on matters discussed and action taken in public and executive sessions at its meeting on July 24, 2013, which included discussion of an item that authorizes the negotiated sale of taxable Consolidated Bonds, from time to time, for capital expenditures in connection with the World Trade Center redevelopment, and discussion of matters in which the release of information could impair a right to receive funds from the United States or other grantor, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Security

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on July 24, 2013, which included discussion of matters involving public safety or law enforcement, and the report was received.

Report of Committees on Operations and Security

The Committees on Operations and Security reported, for information, on matters discussed in executive session at their joint meeting on July 24, 2013, which included discussion of 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 World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public and executive sessions at its meeting on July 24, 2013, which included discussion of certain contracts and agreements in connection with the continued development and operation of the World Trade Center site, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, 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.

Chairman's Report

On behalf of the Board, Chairman Samson welcomed Commissioner Basil A. Paterson and congratulated him on his recent appointment to the Board.

LAGUARDIA AIRPORT – SITE, BUILDING AND UTILITY INFRASTRUCTURE – PROGRAM AUTHORIZATION

It was recommended that the Board authorize: (1) a program for the construction of site, building and utility infrastructure at LaGuardia Airport (LGA), at an estimated total program cost of \$255 million, which would include: (a) replacement and relocation of various utilities, at an estimated total project cost of \$77 million; (b) replacement of 5-kilovolt (kv) electrical distribution systems, at an estimated total project cost of \$118.1 million; (c) construction of certain landside access infrastructure, at an estimated total project cost of \$24.2 million; and (d) provision of an airport-wide construction staging area, at an estimated total project cost of \$35.7 million; and (2) the Executive Director to: (a) award a contract for Construction Management/General Contracting (CM/GC) services, including the issuance of contract packages to implement the construction of the program, at an estimated total construction cost of \$182.1 million, the cost of which is included in the total estimated program amount; and (b) submit an application to the Federal Aviation Administration for the collection and use of up to \$243.9 million in Passenger Facility Charges (PFCs) for program expenditures.

The LGA Redevelopment Program consists of two major elements, the LGA Capital Infrastructure Renewal Program (LGACI Program) and the LGA Central Terminal Building (CTB) Replacement Program (LGA CTB Replacement Program). The LGACI Program is a collection of projects that address short and long-term infrastructure needs, including projects that are required to maintain a state of good repair and certain system-enhancing projects, such as utility and electrical infrastructure, parking, roadways, bridges, and select building demolitions.

Through prior actions from March 2003 through December 2012, the Board authorized an aggregate amount of \$118 million to support planning and design services for the LGACI and the LGA CTB Replacement Programs, which included \$12.8 million to support preliminary planning and design work relating to the proposed program.

The proposed Site, Building and Utility Infrastructure Program, which is part of the LGACI Program, includes stand-alone state-of-good-repair projects, and system-enhancing projects that are vital to the operation of Terminals, B, C, and D, as well as the ongoing construction staging for multiple projects that will be ongoing simultaneously at LGA over the next several years. Construction under the proposed program includes the following projects:

Replacement and Relocation of Utilities

Existing utilities have exceeded their useful life and are in need of replacement because of their condition and the need for additional capacity to meet future passenger growth. To address these issues, projects would be implemented to replace the underground utility trunk lines that contain water supply, drainage and sewage piping systems that serve Terminals B, C, D and all other facilities in the center and east side of the airport, and the replacement of the east field lighting vault (EFLV) that serves all the lighting needs on Runway 13-31 and the east side of the airfield. The EFLV is also approaching the end of its useful life and would be constructed at a new location at an elevation above the 100-year flood line. The total estimated cost of these projects is estimated at \$77 million.

Replacement of 5kv Electrical Distribution Systems

This \$118.1 million project provides for the replacement of 5kv electrical systems that serve the east, center and west sections of the airport, and are required to power critical infrastructure including the Air Traffic Control Tower, Pump Houses, Lighting Vaults and the Aircraft Rescue Fire Fighting Facility, in addition to Terminals B, C and D. The existing electrical distribution systems are over 50 years old and require replacement in order to ensure continued reliable power and to accommodate future requirements.

Landside Access Infrastructure

Construction of access infrastructure, at an estimated total project cost of \$24.2 million also is required as part of the program. This infrastructure would accommodate projected passenger growth by improving passenger access and movement at the airport and would include design and construction of a passenger connector between Terminal C and the East Garage, and an exit plaza serving Parking Lot 4. This project is necessary to support a fully functioning East Garage.

Airport-wide Construction Staging Area

Additionally, a project within the proposed program, which is estimated at a total project cost of \$35.7 million, would develop on-airport construction support space, providing a construction staging area for the multiple ongoing projects at LGA. This staging area is critical to the success of the LGACI Program, as well as future planned construction work, due to the space constraints at the airport.

The CM/GC services would include the issuance of contract packages to implement the construction elements of the program. The CM/GC would solicit sealed bids for each work package from a minimum of three subcontractors and award the work to the lowest qualified responsive bidder. The CM/GC would coordinate, supervise, inspect, and certify construction for the contract packages associated with the proposed program.

Staff plans to submit an application to the Federal Aviation Administration for the collection and use of up to \$243.9 million in Passenger Facility Charges for program expenditures.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Paterson, Pocino, Rechler, Rosado, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a program for the construction of site, building and utility infrastructure at LaGuardia Airport, at an estimated total program cost of \$255 million, which would include: (1) replacement and relocation of various utilities, at an estimated total project cost of \$77 million; (2) replacement of 5-kilovolt electrical distribution systems, at an estimated total project cost of \$118.1 million; (3) construction of certain landside access infrastructure, at an estimated total project cost of \$24.2 million; and (4) provision of an airport-wide construction staging area, at an estimated total project cost of \$35.7 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to: (1) award a contract for Construction Management/General Contracting services, including the issuance of contract packages to implement the construction of the program, at an estimated total construction cost of \$182.1 million, the cost of which is included in the total estimated program amount; and (2) submit an application to the Federal Aviation Administration for the collection and use of up to \$243.9 million in Passenger Facility Charges for program expenditures; 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 construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing program, 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 program shall be subject to the approval of General Counsel or his authorized representative.

NEWARK LIBERTY INTERNATIONAL AIRPORT – REHABILITATION OF RUNWAY 4L-22R AND IMPLEMENTATION OF DELAY REDUCTION INITIATIVES – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the rehabilitation of Runway 4L-22R at Newark Liberty International Airport (EWR), to maintain a state of good repair, and the construction of three multi-entrance taxiways and one cross-over taxiway, at an estimated total project cost of \$97.3 million; and (2) the Executive Director to: (a) award Contract EWR 154.172 to perform the construction work associated with the rehabilitation of Runway 4L-22R and the construction of the new taxiways, at an estimated total cost of \$63.5 million; (b) award purchase orders for the pre-purchase of electrical lighting and signage materials related to the foregoing project, at an estimated total cost of \$6.5 million; and (c) increase, by an estimated amount of \$5 million, the value of Contract EWR-154.119, with Tilcon New York, Inc., for the performance of certain work associated with the foregoing project, including relocation of utilities, installation of electrical duct banks, sign foundations, edge lights and associated infrastructure.

Runway 4L-22R receives the majority of departures at EWR and handles approximately 190,000 aircraft operations annually. The last resurfacing of the runway was completed in 2003. The runway pavement shows normal age-related wear, based on heavy usage and weathering, and requires rehabilitation in order to maintain a state of good repair.

The project also would include the construction of three multi-entrance taxiways that would serve Runway 4L-22R and the construction of one cross-over taxiway which would be connected to Taxiways P and D. In addition, the replacement of the electrical systems on the full length of the runway and installation of new lighting systems for the proposed new taxiways would also be included.

Bids for the project work under Contract EWR 154.172 would be solicited from a list of pre-qualified aeronautical contractors developed from a publicly advertised Request for Qualifications, with award to the lowest qualified bidder.

Since many of the materials to be installed under the proposed project have long order and delivery lead times, several purchase orders would be required to pre-purchase these materials, including lighting fixtures, signage, foundations, wiring, light cans, extension collars and other associated materials. These purchase orders would be prepared in order to have these materials on hand in time for the start of construction, and would be procured through competitive procurement processes when possible, with certain material purchases requiring sole-source procurements.

In order to minimize impacts to airport operations, some of the work associated with the proposed project would be performed through negotiated change orders under Contract EWR-154.119 with Tilcon New York, Inc. for the rehabilitation of Taxiway P and associated delay reduction and other infrastructure improvements at EWR, the award of which contract was previously authorized by the Board at its meeting of October 18, 2012.

The runway and taxiway improvements to be undertaken under the proposed project would reduce runway occupancy times on departures, increase the efficiency of ground operations and decrease aircraft fuel consumption and emissions.

The project costs are fully recoverable through Passenger Facility Charges.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Paterson, Pocino, Rechler, Rosado, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the rehabilitation of Runway 4L-22R at Newark Liberty International Airport (EWR), to maintain a state of good repair, and the construction of three multi-entrance taxiways and one cross-over taxiway, at an estimated total project cost of \$97.3 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 award Contract EWR 154.172 to perform the construction work associated with the rehabilitation of Runway 4L-22R and the construction of the new taxiways, at an estimated total cost of \$63.5 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 award purchase orders for the pre-purchase of electrical lighting and signage materials related to the foregoing project, at an estimated total cost of \$6.5 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 increase, by an estimated amount of \$5 million, the value of Contract EWR-154.119, with Tilcon New York, Inc., for the performance of certain work associated with the foregoing project, including relocation of utilities, installation of electrical duct banks, sign foundations, and edge light infrastructure; 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 construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate 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 documents and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL A REDEVELOPMENT PROGRAM – PHASE II PLANNING – AUTHORIZATION OF ADDITIONAL FUNDS

It was recommended that the Board authorize: (1) the expenditure of additional funds for Phase II planning work for the Newark Liberty International Airport (EWR) Terminal A Redevelopment Program (Program), at an estimated cost of \$15 million, bringing the total authorized planning costs associated with Phase I and Phase II of the Program to \$65 million; and (2) the Executive Director to: (a) increase, by an estimated \$7.5 million, the amount of an existing agreement with Pierce Goodwin Alexander & Linville, Inc., d/b/a PGAL, Inc. (PGAL) for the performance of expert professional planning, architectural and engineering services, on an as-needed basis, to support the continued Phase II planning efforts; (b) increase, by an estimated \$2.5 million, the amount of an existing agreement with AECOM, Inc. for the performance of professional Program management services, on an as-needed basis, to support the continued Phase II planning efforts; and (c) submit an application to the Federal Aviation Administration (FAA) for the collection and use of up to an additional \$15 million in Passenger Facility Charges (PFCs) for expenditures in connection with the additional Phase II planning costs.

The existing Terminal A at EWR, which opened for air passenger traffic in 1973, requires redevelopment in order to meet the standards of a modern airport in terms of passenger queuing and interior circulation space, hold room sizes, concession space and locations, vertical circulation, passenger and baggage screening facilities and roadway frontage for terminal access. The terminal's airside elements are also constrained: taxiways and gates are too small to support next-generation aircraft, gate availability is limited and aircraft parking is inadequate. In addition, the electrical, mechanical and plumbing systems serving the building are nearing the end of their useful life.

At its meeting of May 20, 2004, the Board authorized Phase I planning work for the Program, at a total estimated cost of \$20 million. Phase I focused on planning for terminal and related facility improvements, including additional aircraft gate positions necessary to accommodate the forecast growth in air passengers at an acceptable level of service and to foster federally mandated initiatives to expand airline competition at the airport.

At its meeting of October 22, 2009, the Board authorized Phase II planning work for the Program, at a total estimated cost of \$30 million. Phase II planning focused on continued negotiations with the airlines on business model alternatives, fees and charges, economic feasibility and terminal functional and performance criteria. Phase II work also includes refinement of a master site plan, continued value planning and engineering, formulation of a new terminal basis of design report, preliminary contract package definition for airside, landside and infrastructure/utility improvements, continued environmental assessments and Program integrated scheduling and cost estimating.

The proposed authorization for additional funds for Phase II planning is necessary for redesign of Program concepts due to new Federal Emergency Management Agency (FEMA) flood maps issued after Hurricane Sandy, and for Program documentation updates to align with the new forecast completion date of the Program, with the target date for completion of the major Program components having been deferred several years. The proposed authorization would include planning and design for: (1) incorporation of the newly mandated FEMA maps into the previously completed terminal, landside and airside concepts; (2) revisions to the Environmental Assessment and cost estimates necessitated by the changes to the Program concepts; (3) incorporation of resiliency

requirements; (4) updates to Phase II planning documents, including updated financial analysis, project schedules, cost estimates and contract package definitions that may be necessitated due to changes in FEMA regulations, and to align these updates with the new forecast completion date of the Program; and (5) continued consultations with airlines and other stakeholders.

In August 2010, the Executive Director authorized the award of a contract to AECOM, Inc. to provide expert professional program management services, on an as-needed basis, to assist with the Phase II planning effort, pursuant to a publicly advertized Request for Proposals (RFP) process, at a total estimated amount of \$10 million. The amount of the agreement was increased to \$12.5 million via amendatory authority in February 2012. In April 2012, the Executive Director authorized the award of a contract to PGAL to provide expert professional planning, architectural and engineering services, on an as-needed basis, to assist with the Phase II planning effort, also pursuant to a publicly advertized RFP process, at a total estimated amount of \$15 million. The proposed increases to the agreements with AECOM and PGAL are necessary to support additional Phase II planning work for the Program.

The FAA has approved the collection and use of a total of \$50 million in PFC funding for the Program. Pursuant to the proposed authorization, an application would be submitted to the FAA requesting approval for the collection and use of up to an additional \$15 million in PFCs for expenditures in connection with the additional Phase II planning costs.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Paterson, Pocino, Rechler, Rosado, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the expenditure of additional funds for Phase II planning work for the Newark Liberty International Airport Terminal A Redevelopment Program (Program), at an estimated cost of \$15 million, bringing the total authorized Phase I and Phase II planning costs associated with the Program to \$65 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: (1) increase, by an estimated \$7.5 million, the amount of an existing agreement with Pierce Goodwin Alexander & Linville, Inc., d/b/a PGAL, Inc. for the performance of expert professional planning, architectural and engineering services, on an as-needed basis, to support the continued Phase II planning efforts; (2) increase, by an estimated \$2.5 million, the amount of an existing agreement with AECOM, Inc. for the performance of professional Program management services, on an as-needed basis, to support the continued Phase II planning efforts; and (3) submit an application to the Federal Aviation Administration for the collection and use of up to an additional \$15 million in Passenger Facility Charges for expenditures in connection with the additional Phase II planning costs; and it is further

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

HOLLAND TUNNEL – ELECTRICAL AND MECHANICAL REHABILITATION OF VENTILATION SYSTEM EQUIPMENT – PROJECT REAUTHORIZATION AND INCREASE TO CONTRACT AWARD

It was recommended that the Board: (1) reauthorize a project for the rehabilitation of the electrical and mechanical components of the ventilation system at the Holland Tunnel, at a total estimated project cost of \$206.4 million; and (2) authorize the Executive Director to: (a) increase, by \$17.3 million, the amount of Contract HT-224.008 with T. Moriarty & Sons, Inc. (Moriarty) for the replacement of supply and exhaust fans and associated control and electrical equipment, from \$85.8 million to \$103.1 million, to accommodate additional extra work and net cost work, the cost of which is included in the total project cost; (b) enter into a lease agreement with Pedowitz Machinery Movers, Inc. to provide warehouse storage space for 50 fans after their refurbishment, at an estimated amount of \$500,000, the cost of which is included in the total project cost; and (c) take action, as necessary, for the award of contracts for such construction, professional, technical and advisory services as may be necessary to accomplish the return to serviceable condition of up to 42 fans damaged as a result of Hurricane Sandy, at an estimated cost in the range between \$3.4 million and \$10 million, to include the option of the Port Authority allowing its insurance carrier to pay its refurbishment/replacement contractors directly for such costs, and the option of the Port Authority paying its insurance carrier's refurbishment/replacement contractors through insurance proceeds, the cost of which is included in the total project cost.

At its meeting of April 30, 1998, the Board authorized a project to ensure continued adequate ventilation and carbon monoxide control and to provide optimum smoke control management capability through the rehabilitation of the existing Holland Tunnel ventilation system, which had been in service since 1927. The project also included installation of an automated control system and ventilation building heating, ventilating and air conditioning (HVAC) systems to support and operate the new equipment. The estimated total project cost at that time was \$85.6 million.

Subsequently, in November 2002, the Executive Director authorized the award of Contract HT-224.008 to Moriarty, at an estimated amount of \$77.6 million. Contract HT-224.008 provided for replacement of 42 supply fans and 42 exhaust fans and associated electrical equipment located in the four ventilation buildings of the Holland Tunnel. At that time, the Board was advised that due to delays in obtaining access rights from an adjacent property owner that were required to construct the project, the loss of contract documents located at the World Trade Center site on September 11, 2001, and revisions to certain project scope elements since 1998, the estimated total project cost had increased to \$111.9 million.

Construction began in 2003. After the commencement of construction, numerous field conditions and technical issues were encountered, the final determination of which could not be made until construction was underway. This resulted in extending the contract completion date from November 2007 to November 2009, and in the need to increase extra work funds to complete certain elements of the project and to address complex staging requirements.

Therefore, at its meeting of May 24, 2007, the Board authorized an increase of \$12.2 million in the amount of the project, resulting in a revised estimated total project cost of \$124.1 million, and an increase of \$6.2 million in the amount of Contract HT-224.008, from \$77.6 million to \$83.8 million, to complete items of extra work that included an enhanced automated control system configuration, modifications to the electrical power system and control cabinets, and material price

escalation. Subsequently, in February 2013, the Executive Director increased the amount of Contract HT-224.008 by \$2 million, for additional extra work to address field conditions associated with impacts to access to the New Jersey River Ventilation Building, due to the deteriorated condition of Pier 9, the principal access route to that building.

Since the 2007 project reauthorization, numerous additional challenges have been encountered that delayed construction progress, including continued staging issues associated with implementing the project. In addition, in October 2012 Hurricane Sandy and its associated storm surge caused widespread flooding in the project area, which resulted in extensive saltwater damage to 50 new ventilation fans and their associated appurtenances. Pursuant to the currently proposed authorization, eight of the fans would be refurbished at an estimated cost of \$2.3 million, and staff would seek reimbursement from the insurance carrier. The remaining 42 fans would be transported off-site and refurbished or replaced by the Port Authority's insurance carrier, at an estimated cost in the range between \$3.4 million and \$10 million, dependent upon the extent of refurbishment/replacement required. The Port Authority either would allow its insurance carrier to pay its refurbishment/replacement contractors directly for such costs, or the Port Authority would pay its insurer's refurbishment/replacement contractors through insurance proceeds.

Based on the events that have taken place since the start of construction of the project, a quantitative assessment of the risks anticipated to project completion was undertaken. The assessment determined that, with approximately 70 percent of the work on Contract HT-224.008 now complete, an increase of \$17.3 million in the authorization for that contract is needed for additional extra work and net cost allowances, to ensure completion of the work. Completion of the project is now scheduled for December, 2016.

A fully updated ventilation system is critical to continuing to maintain the Holland Tunnel in a state of good repair and meet life safety requirements to protect customers and staff at the Tunnel.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Paterson, Pocino, Rechler, Rosado, Samson, Sartor, Schuber and Steiner voting in favor; Commissioner Moerdler recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the rehabilitation of the electrical and mechanical components of the ventilation system at the Holland Tunnel, at a total estimated project cost of \$206.4 million, be and it hereby is reauthorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase by \$17.3 million the amount of Contract HT-224.008 with T. Moriarty & Sons, Inc. for the replacement of supply and exhaust fans and associated control and electrical equipment in connection with the foregoing project, from \$85.8 million to \$103.1 million, to accommodate additional extra work and net cost work, the cost of which is included in the total estimated project cost; 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 a lease agreement with Pedowitz Machinery Movers, Inc. to provide warehouse storage space for 50 fans after their refurbishment or replacement in connection with the foregoing project, at an estimated amount of \$500,000, the cost of which is included in the total estimated project cost; 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, as necessary, for the award of contracts for such construction, professional, technical and advisory services as may be necessary to accomplish the return to serviceable condition of up to 42 fans damaged as a result of Hurricane Sandy, at an estimated cost in the range between \$3.4 million and \$10 million, to include the option of the Port Authority allowing its insurance carrier to pay its refurbishment/replacement contractors directly for such costs, and the option of the Port Authority paying its insurance carrier's refurbishment/replacement contractors through insurance proceeds, the cost of which is included in the total project cost; 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 construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate 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 documents and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

GOETHALS BRIDGE INTERCHANGE RAMPS PROJECT – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) the Goethals Bridge Interchange Ramps Project (Project), a project to complete the partial interchange on the New Jersey side of the Goethals Bridge between Interstate 278 (I-278) and U.S. Routes 1&9 (Routes 1&9), at a total estimated amount of \$130 million, including \$6.3 million previously authorized for planning work; and (2) the Executive Director to: (a) enter into such agreement(s) with the New Jersey Department of Transportation (NJDOT), the County of Union (County), the City of Elizabeth, the City of Linden and any other appropriate entities, as may be necessary to effectuate the Project, setting forth the parties' respective responsibilities regarding: preparation of final design documents; solicitation and award of contracts; Project construction; acquisition of associated rights-of-way and/or other property interests; and other matters; and (b) take any and all action necessary to effectuate the foregoing Project, including the execution of agreements and contracts with any appropriate parties, and other documents to facilitate such action, together with amendments and supplements thereof, including amendments and supplements to existing agreements, and to take action in accordance with the terms of such agreements, contracts and other documents, as may be necessary in connection therewith.

The existing partial interchange on the New Jersey side of the Goethals Bridge only provides connections between the portion of I-278 east of the interchange (including New Jersey Turnpike Exit 13 and the Goethals Bridge) and the portion of Routes 1&9 south of the interchange (i.e., from westbound I-278 to southbound Routes 1&9, and from northbound Routes 1&9 to eastbound I-278). The current configuration of the partial interchange does not provide direct connections from southbound Routes 1&9 to eastbound I-278 or from westbound I-278 to northbound Routes 1&9; such connections would be constructed through the Interchange Ramps Project.

Although the Interchange Ramps Project is not needed for the Goethals Bridge Modernization Program (GBMP), and is a separate project from the GBMP, the City of Elizabeth and the City of Linden, which support the GBMP, have expressed concern about traffic congestion on the existing approaches and adjacent local roads in Elizabeth and Linden in the vicinity of the Goethals Bridge, and have advocated that the Interchange Ramps Project be made a priority.

At its meeting of February 19, 2009, the Board authorized preliminary planning, environmental analysis and design support work associated with improvements to the partial interchange on the New Jersey side of the Goethals Bridge, in an estimated amount of \$900,000, as part of a larger planning effort to support the GBMP, which included authorization for the Executive Director to enter into agreements with appropriate entities to support preliminary environmental analysis and design for improvements to the interchange ramps. That preliminary work supported initial planning for the development of an Interchange Ramps Project Environmental Impact Statement.

On August 1, 2012, the Board authorized an increase of \$5.4 million in the amount of the planning work for the improvements to the interchange ramps, resulting in a total authorized amount of \$6.3 million. The increase in planning authorization provided for additional planning and design work, including preparation of the necessary environmental documents and development of outreach programs, leading to the necessary decisions and permits/agreements/consultations from the appropriate governmental agencies required to pursue construction of the Project. Subsequently, in coordination with NJDOT, the Port Authority released a Request for Proposals (RFP) on June 13,

2013 for the Project planning and preliminary design effort, encompassing compliance with the National Environmental Policy Act. Seven proposals were received in response to the RFP by July 11, 2013, with consultant selection expected by September 2013.

It is anticipated that, upon completion of this planning effort, NJDOT, in coordination with the Port Authority, would take the lead in handling the bid process, design, construction, right-of-way acquisition, permits and approvals in connection with the Project, which covers NJDOT properties in Linden and Elizabeth.

The provision of funds by the Port Authority for the construction of the Project would be subject to the provision by the City of Elizabeth, the City of Linden, NJDOT and the County of all necessary consents, approvals and any other cooperation needed in connection with the advancement and completion of the GBMP.

The Project would improve traffic safety, local roadway congestion and traffic movement, thereby resulting in more efficient traffic flows, reduced vehicle travel and idling times, reduced overall fuel consumption and associated air pollution caused by vehicular traffic. The Project would improve through-traffic on Bayway Avenue in Elizabeth and Park Avenue in Linden to and from the Goethals Bridge and New Jersey Turnpike Exit 13.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Paterson, Pocino, Rechler, Rosado, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project (Project) to complete the partial interchange on the New Jersey side of the Goethals Bridge between Interstate 278 and U.S. Routes 1&9, at a total estimated amount of \$130 million (including \$6.3 million previously authorized for planning work), 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 such agreement(s) with the New Jersey Department of Transportation, the County of Union, the City of Elizabeth, the City of Linden and any other appropriate entities as may be necessary to effectuate the Project, setting forth the parties' respective responsibilities regarding: preparation of final design documents; solicitation and award of contracts; Project construction; acquisition of associated rights-of-way and/or other property interests; and other matters; 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 construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate 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 Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take any and all action necessary to effectuate the foregoing Project, including the execution of agreements and contracts with any

appropriate parties, and other documents to facilitate such action, together with amendments and supplements thereof, including amendments and supplements to existing agreements, and to take action in accordance with the terms of such agreements, contracts and other documents, as may be necessary in connection therewith; and it is further

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

PORT JERSEY-PORT AUTHORITY MARINE TERMINAL – CAPE LIBERTY CRUISE PORT, LLC AND ROYAL CARIBBEAN CRUISE LINES, LTD. – AMENDED AGREEMENTS

It was recommended that the Board authorize the Executive Director to: (1) amend six separate agreements, covering the usage of the cruise terminal, parking management, revenue collection and disbursement, redevelopment, purchase and sale and terminal operation, among the Bayonne Local Redevelopment Authority (BLRA) (or the City of Bayonne (City), as successor to the BLRA), Cape Liberty Cruise Port, LLC (Cape Liberty) and Royal Caribbean Cruise Lines, Ltd. (RCL) to provide for a five-year extension, through December 31, 2043, provided RCL undertakes the redevelopment of the Cape Liberty Cruise Terminal located at the Port Jersey-Port Authority Marine Terminal (Port Jersey), which would include the reduction and relocation of Cape Liberty's current 23.3-acre footprint at Port Jersey into approximately 11.5 acres (an approximately 8.9-acre cruise terminal and an approximately 2.6-acre parking garage structure), the construction of a new cruise terminal building, a parking garage, an overflow paved parking area and berth improvements, at an estimated total cost to RCL of approximately \$50 million; and (2) enter into an agreement to accept and assume the six separate agreements from the City, as successor to the BLRA, as well as such other agreements as may be necessary and proper to effectuate the transactions.

At its meeting of June 22, 2010, the Board authorized the acquisition of an approximately 131-acre portion of the former Military Ocean Terminal at Bayonne (MOTBY) and the associated riparian lands from the BLRA for marine terminal purposes. At the time of the acquisition, the BLRA had six existing agreements with Cape Liberty and RCL to operate a cruise terminal on approximately 23.3 acres of the former MOTBY site through December 31, 2038. Included in that authorization was the acceptance by the Port Authority of an assignment from the BLRA of six agreements relating to the Cape Liberty Cruise Terminal, which is located on a portion of the former MOTBY site acquired by the Port Authority. The six agreements cover the usage of the cruise terminal, parking management, revenue collection and disbursement, redevelopment, purchase and sale and terminal operation.

The City is currently taking steps to dissolve the BLRA and assume all of its obligations and liabilities.

Cape Liberty and RCL plan to redevelop the Cape Liberty Cruise Terminal, at a total estimated project cost to RCL of \$50 million, which would be used to accommodate a new \$950 million cruise ship that is currently under construction – *Quantum of the Seas* – and would be based at Port Jersey year-round beginning in November 2014. This new vessel is expected to be deployed in service between the Cape Liberty Cruise Terminal, the Caribbean, the Bahamas, Florida and Bermuda. RCL is currently in discussions with Bermuda authorities to make the necessary accommodations to provide for the *Quantum of the Seas* to call at Bermuda in the spring of 2015.

As part of the proposed amendments, the City, as successor to the BLRA, would be the issuer of the bonds for this project, and the proceeds would be used to finance the improvements. Since the bonds would be issued as redevelopment bonds, the City's designation as the redevelopment entity is fundamental to the City's ability to issue bonds. Therefore, until the improvements are completed, the City must continue to be the designated redevelopment entity under the Redevelopment Agreement. Once the improvements are complete, the proposed amendment to the Redevelopment Agreement would provide that an assignment of the Redevelopment Agreement by the City to the Port Authority would occur automatically. If the bonds are not issued by January 1, 2014, the

automatic assignment would occur at that time. Until the assignment, however, the City, as successor to the BLRA, would delegate to the Port Authority all its rights, duties and obligations under the Redevelopment Agreement so that the City, as successor to the BLRA, would continue to be a party thereto in name only and for the sole purpose of being the designated redevelopment entity. If RCL does not move forward with the \$50 million new project, it may utilize the City's financing for the estimated \$20 million in Phase 2 improvement construction costs, which have been completed and include improvements to the existing terminal building, and the construction of bulkhead improvements and docking area at Berth N-1. Such action, however, would not trigger a five-year lease extension.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Paterson, Pocino, Rechler, Rosado, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to amend six separate agreements, covering the usage of the cruise terminal, parking management, revenue collection and disbursement, redevelopment, purchase and sale and terminal operation, among the Bayonne Local Redevelopment Authority (BLRA) (or the City of Bayonne (City), as the successor to the BLRA), Cape Liberty Cruise Port, LLC (Cape Liberty) and Royal Caribbean Cruise Lines, Ltd. (RCL) to provide for a five-year extension, through December 31, 2043, provided RCL undertakes the redevelopment of the Cape Liberty Cruise Terminal located at the Port Jersey-Port Authority Marine Terminal, which would include the reduction and relocation of Cape Liberty's current 23.3-acre footprint at Port Jersey into approximately 11.5 acres (an approximately 8.9-acre cruise terminal and an approximately 2.6-acre parking garage structure), the construction of a new cruise terminal building, a parking garage, an overflow paved parking area and berth improvements, at an estimated total cost to RCL of approximately \$50 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 an agreement to accept and assume the six separate agreements from the City, as successor to the BLRA; 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 amendments to existing agreements and such additional agreements as may be necessary and proper to effectuate the foregoing transactions, in accordance with the terms and conditions outlined to the Board; 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 NEWARK – SWIFT FUEL STOPS, INC. – LEASE LPN-235 – SUPPLEMENTAL AGREEMENT

It was recommended that, in order to provide for the renovation of an existing service station at Port Newark by the tenant and thereby realize substantial environmental benefits, the Board authorize the Executive Director to enter into Supplemental Agreement No. 2 to Lease LPN-235 with Swift Fuel Stops, Inc. (Swift Fuel) to provide for an extension of the lease term for a period of 16 years and five months, through July 31, 2033, for the continued operation of the service station, provided that the tenant completes certain leasehold improvements to the premises. The proposed Supplemental Agreement would be effective as of August 1, 2013.

Swift Fuel has leased and operated a Gulf service station at Port Newark since March 1, 1997 under an agreement that expires on February 28, 2017. The leasehold consists of approximately 24,566 square feet of open area, including Building 151, which houses a 1,034-square-foot food mart area. Swift Fuel dispenses gasoline and diesel fuel to the Port Authority and to New Jersey Marine Terminals tenants and customers.

Under the proposed Supplemental Agreement, the tenant would invest a minimum of \$600,000 to renovate the fuel station and demolish the food mart, in consideration of receiving an extended lease term. The proposed renovations would include the demolition of Building 151 (including the food mart) and the installation of a new kiosk, canopy, four additional fuel pumps, one additional fuel storage tank, more efficient fuel pumps and several other “green” improvements within a 30-month timeframe. With the demolition of Building 151, the leasehold would consist of a total of approximately 25,600 square feet of open area. If the tenant did not substantially complete the renovations within 30 months of the effective date of the Supplemental Agreement, the term of the letting would expire on the date originally set forth in the lease. Should the Port Authority terminate the Supplemental Agreement without cause, Swift Fuel would be reimbursed the unamortized portion of its initial investment, up to \$600,000, based on completed renovations as certified by the Port Authority.

In addition to the aggregate fixed rental of approximately \$1.75 million over the term of the lease supplement, the tenant would be required to pay a new variable rental fee on fuel sales after a two-year construction grace period. The introduction of the variable rental fee would represent a new revenue source to the Port Authority, based on anticipated increased fuel sales and improved efficiencies at the renovated station.

Swift Fuel’s commitment to renovate the existing station at its own expense would result in substantial environmental benefits. Installation of energy-efficient lighting and electrical equipment, including new air conditioning and heating equipment, would reduce energy consumption by an estimated 20 percent to 30 percent. Additionally, installation of a new vapor recovery system would capture 60 percent to 70 percent more petroleum vapors than the existing system, and it is estimated that a new transaction processing (payment) system would result in a ten-fold reduction in customer vehicle idling time and associated emissions. Environmental impacts to the property also would be reduced by the installation of leak-proof pumps and a monitoring system that would shut off all systems automatically in the event of leaks in tanks or piping.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Paterson, Pocino, Rechler, Rosado, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into Supplemental Agreement No. 2 to Lease LPN-235 with Swift Fuel Stops, Inc., to provide for an extension of the lease term for a period of 16 years and five months, through July 31, 2033, for the continued operation of a service station at Port Newark, 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 agreements necessary or appropriate in connection with the foregoing; and it is further

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

DOWNTOWN RESTORATION PROGRAM – AUTHORIZATION OF ADDITIONAL WORLD TRADE CENTER CONTRACT ACTIONS AND EXPENSES TO SUPPORT POST-HURRICANE SANDY RECOVERY AND MITIGATION WORK

It was recommended that the Board authorize: (1) the expenditure of an additional estimated amount of approximately \$38.5 million for certain contract actions and expenses expected to be required through September 30, 2013 to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, and for related mitigation efforts, resulting in a cumulative total authorization of approximately \$397 million for the response, recovery and restoration efforts at the WTC site; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, Vehicular Security Center, WTC Memorial Museum, and One WTC, among other WTC projects in construction. Although the de-watering of the WTC site was substantially completed in early November, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through June 26, 2013, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions required for Hurricane Sandy response, recovery and restoration work at the WTC site through July 31, 2013, in a total estimated amount of \$359 million.

Although comprehensive damage assessments and project impact evaluations related to Hurricane Sandy will be ongoing throughout 2013, staff is ordering various contractors to repair or replace damaged and destroyed equipment and infrastructure, including the purchase or repurchase of major long-lead items, such as electrical switchgear and substation equipment; vertical circulation equipment; and mechanical fans, air handling units and controls. Increases in contract amounts also are needed to provide for construction management, program management, design support, and other professional services to support the repair/replacement, re-installation work and mitigation efforts.

Consistent with previous discussions with the Board throughout 2013, as additional information is made available by contractors, further project evaluations and implementation decisions regarding Hurricane Sandy's impact and the potential for including additional mitigation efforts to deliver a more resilient site are being made. It is anticipated that there will be further requests for increases to contract amounts for actions that will be attributable to Hurricane Sandy recovery, including further equipment replacement and installation costs, construction general conditions costs and potential mitigation costs, on an ongoing basis.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Paterson, Pocino, Rosado, Schuber and Steiner voting in favor; Commissioners Moerdler, Rechler, Samson and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the expenditure of an additional estimated amount of approximately \$38.5 million for certain additional actions and expenses expected to be required through September 30, 2013, to effectuate the repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, and for related mitigation efforts, be and it hereby is authorized, consistent 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 take all actions necessary to facilitate the foregoing, consistent with the terms outlined to the Board; and it is further

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

WORLD TRADE CENTER (WTC) SITE – RETENTION OF SPECIALIZED PROFESSIONAL SERVICES FOR WTC SITE REDEVELOPMENT ON AN AS-NEEDED BASIS

It was recommended that the Board authorize the Executive Director to retain eight firms to provide professional architectural, engineering and technology services to support ongoing projects and initiatives associated with the redevelopment of the World Trade Center (WTC) site, on an “as-needed” basis, with such services to be performed for a term of approximately 30 months (through December 2015), in an aggregate amount of \$8,582,403, inclusive of a contingency, and consistent with the terms reviewed with the Board.

Several of the initiatives critical to the redevelopment of the WTC site, including retail development throughout the site, the fit-out of One WTC, and the provision of various site-wide services, involve modifications to, or continued development of, site structures, services and assets to accommodate tenant needs. Accomplishment of this work requires the involvement of the design, engineering and technical firms responsible for the various affected site assets, including One WTC, Tower 4, the footprints of Tower 2 and Tower 3, and the WTC Transportation Hub.

The recommended awardees, AKF Engineers LLP, Beyer Blinder Belle Architects & Planners LLP, WSP USA Corp., Leslie E. Robertson Associates R.L.L.P., Jaros Baum & Bolles (JBB), Gabellini Sheppard Associates LLP, CS Technology, Inc., and Skidmore Owings & Merrill LLP (SOM) each have served as an Engineer and/or Architect of Record for certain WTC assets, or have had prime responsibility for developing related designs or contracts for the WTC site. The selected firms were engaged previously by the Port Authority, either as sub-consultants to Jones Lang LaSalle Americas, Inc. or under the Port Authority’s Design Management Agreement with Silverstein Properties, Inc., or under existing Port Authority contracts. Services from JBB and SOM would be obtained through change orders to existing contracts.

The proposed authorization would enable the Port Authority to obtain the specialized architectural, engineering and technology services and expertise needed to support the completion of the redevelopment of the WTC site.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Paterson, Pocino, Rosado, Samson, Sartor, Schuber and Steiner voting in favor; Commissioner Rechler recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to retain AKF Engineers LLP, Beyer Blinder Belle Architects & Planners LLP, WSP USA Corp., Leslie E. Robertson Associates R.L.L.P., Jaros Baum & Bolles, Gabellini Sheppard Associates LLP, CS Technology, Inc., and Skidmore Owings & Merrill LLP, to provide professional architectural, engineering and technology services to support ongoing projects and initiatives associated with the redevelopment of the World Trade Center site, on an “as-needed” basis, with such services to be performed for a term of approximately 30 months (through December 2015), in an aggregate amount of \$8,582,403, inclusive of a contingency, and consistent with the terms reviewed with the Board; 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.

ONE WORLD TRADE CENTER – AMENDMENT TO AGREEMENT WITH AFFILIATES OF THE DURST ORGANIZATION – ACCELERATION OF PROPERTY MANAGEMENT AGREEMENT AND ADDITION OF CONSTRUCTION MANAGEMENT SERVICES FOR A TENANT PREBUILT PROGRAM AND LOBBY FIT-OUTS

In connection with the construction of One World Trade Center (One WTC), it was recommended that the Board authorize the Executive Director to enter into agreements with Royal 1 WTC Management LLC (Royal), an affiliate of The Durst Organization (Durst): (1) to accelerate the start date of the Property Management Agreement for One WTC from July 1, 2014 to August 15, 2013; (2) to provide for the final design, project management and construction services for the phased build-out of up to approximately 2 floors of prebuilt spaces and 2 and a half floors for multi-tenant spaces for potential tenants at an estimated amount of \$20 million; and (3) for final design, project management and construction services for the fit-out of a ground floor lobby and Sky Lobby (64th Floor) at One WTC, at an estimated amount of \$1 million.

At its meeting of August 5, 2010, the Board authorized a transaction between the Port Authority and Durst for Durst to become a joint venture partner with the Port Authority in the net leasehold interest of One WTC and participate and/or advise in the construction, financing, leasing, management and operation of One WTC. Durst has since provided advice and other services to the Port Authority in support of interim facilities essential for the timely establishment of One WTC leasing and operations.

As part of the joint venture agreement with Durst (Joint Venture Agreement), it was anticipated that the Property Management Agreement with Royal would commence on or about July 1, 2014. However, as a result of the phased completion of construction and system commissioning and area turnover of One WTC, professional management services will be required as early as August 15, 2013, which is earlier than originally contemplated under the Joint Venture Agreement. In addition, the Joint Venture Agreement anticipated that Durst would act as construction manager and owner's representative with respect to the fit-out of space within One WTC, subject to the negotiation of separate agreements. In furtherance of same, the Port Authority now would enter into an agreement with Royal to act as the Owner's Representative and Construction Manager for the fit-out of a tenant prebuilt program in One WTC and for the fit-out of the ground floor lobby and Sky Lobby (64th Floor) of One WTC. Royal would retain construction services necessary to implement the work, through procurement processes as defined in the agreements.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Paterson, Pocino, Rechler, Rosado, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with Royal 1 WTC Management LLC (Royal), an affiliate of the Durst Organization (Durst): (1) to accelerate the start date of the Property Management Agreement for One World Trade Center (One WTC) from July 1, 2014 to August 15, 2013; (2) to provide for the final design, project management and construction services for the phased build-out of up to approximately 2 floors of prebuilt spaces and 2 and a half floors for multi-tenant spaces for potential tenants, at an estimated amount of \$20 million; and (3) for final design,

project management and construction services for the fit-out of a ground floor lobby and Sky Lobby (64th Floor) at One WTC, at an estimated amount of \$1 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 take any and all action to effectuate the foregoing, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith; and it is further

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

TRIBUTE TO SUSAN M. BAER

The Board of Commissioners, upon the retirement of Susan M. Baer, unanimously adopted the following resolution.

WHEREAS, from the time she joined the Port Authority in December 1975 as a Junior Professional Assistant to her appointment as Director, Aviation Department in September 2009, Susan Baer has served with great honor and distinction and has given the full measure of her talent, skill, and ability to further the mission and goals of the Port Authority and the region it serves; and

WHEREAS, Susan Baer has dedicated the past 25 years of her career to aviation and is the only individual in the agency's history to have managed all of the agency's major airports, including LaGuardia Airport from 1994-1998; Newark Liberty International and Teterboro airports from 1998-2007; and John F. Kennedy International Airport from 2007-2008; prior to becoming Deputy Director of Aviation in 2008 and; subsequently, the first woman Director of Aviation in 2009; and

WHEREAS, Susan Baer has been a leader and consummate professional in her management of the Aviation Department and has worked tirelessly to ensure that the Port Authority's regional airport system preserves the highest standards of excellence, through her tireless efforts to maintain the agency's airports in a state of good repair and champion critical asset replacement programs, including the rehabilitation and/or replacement of major airport terminals, such as the completion of Continental Airlines' Global Gateway Project for the development of Terminal C in 1998; the completion of AirTrain Newark in 2001, redevelopment of Newark Liberty International Airport's Terminal B; plans for Delta Air Lines' new state-of-the-art terminal expansion at John F. Kennedy International Airport's Terminal 4; and most recently planning for the redevelopment of LaGuardia Airport and Newark Liberty International Airport's Terminal A, as well as the rehabilitation and replacement of numerous runways and taxiways throughout the agency's airport system, including John F. Kennedy International Airport's Bay Runway in 2010, the agency's most heavily used and longest runway; and

WHEREAS, Susan Baer has contributed her acute business insights and tireless efforts to ensure the agency's airport system maintains the highest levels of excellence through enhanced customer service and dedicated partnerships with the airline industry and local airport communities; and

WHEREAS, Susan Baer was instrumental in the development of various initiatives that resulted in enhancements and improvements to the safety and security of our airports through the implementation of numerous infrastructure improvements for the benefit of the traveling public; and

WHEREAS, as Director of Aviation and a member of both the U.S. Transportation Secretary's Future of Aviation Advisory Committee and the subsequent NextGen Advisory Committee, Susan Baer has been a strong advocate for initiatives related to the overall health of the airline industry, including innovative

approaches and new technologies such as NextGen that will expand capacity and provide comprehensive and workable solutions to delays in air travel; and

WHEREAS, earlier in her career Susan Baer served with great distinction as the General Manager of the Lincoln Tunnel and the Port Authority Bus Terminal, ensuring these vital regional transportation networks moved thousands of people and goods safely and efficiently each day between New York and New Jersey; and

WHEREAS, during her 37 plus years of distinguished service, Susan Baer has given the full measure of her time and talent to provide sound guidance and advice to staff and to encourage the development of staff throughout the agency; and

WHEREAS, Susan Baer has played an active role in the communities surrounding the agency's airports and national airport matters and has served on the boards of Vaughn College of Aeronautics and the Newark Museum, and always strived to ensure the Port Authority was a good neighbor to its host communities; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement, throughout her tenure at the Port Authority, Susan Baer has been recognized and honored by numerous organizations including the New Jersey AFL-CIO; the Newark International Airport Airline Managers Association; the Newark Regional Business Partnership; Barnard College; the YWCA of New York; the Boy Scouts, and the Aviation Institute, among others,

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Susan M. Baer their sincere and heartfelt appreciation for her outstanding service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Susan M. Baer as a symbol of the high esteem in which she is held by the Board and staff alike.

TRIBUTE TO KIRBY KING

The Board of Commissioners, upon the retirement of Kirby King, unanimously adopted the following resolution.

WHEREAS, from the time he joined The Port Authority of New York and New Jersey in December 1982 as Mechanical Engineer in the Engineering Department through his appointment to Director of the Technology Services Department in February 2011, Kirby King has served with great pride and distinction in a variety of critical roles in the agency, including, Deputy Director of Rail Transit and Assistant Program Director for the New York Airport Access System, and has given the full measure of his talent, skill, and ability to further the mission and goals of the Port Authority and Port Authority Trans-Hudson Corporation (PATH); and

WHEREAS, as the agency's Director of Technology Services, Kirby King has been committed to delivering services across the agency to promote innovation and enhance efficiency through the use of technology to ensure that the Port Authority is able to meet its day-to-day obligations and long-term vision; and

WHEREAS, as Deputy Director of Rail Transit from March 2003 to February 2009, Kirby King was instrumental in providing oversight and direction in the development and implementation of the agency's PATH Modernization Program, consisting of a new railcar fleet, improved stations for the traveling public, planning for a new signal system, and enhanced security at all PATH facilities, to provide an efficient and dependable rail transportation system into the future; and

WHEREAS, as Assistant Program Director for the agency's New York Airport Access Program from December 1996 to March 2003, Kirby King played a vital and instrumental role in the planning, design and daily construction activities of the agency's airport access rail link now known as AirTrain JFK, which was completed in December 2003 and now serves over five million passengers annually with convenient and efficient service connecting the Long Island Railroad and New York City subway and bus lines to John F. Kennedy International Airport; and

WHEREAS, following the February 26, 1993 bombing of the World Trade Center, as a Senior Engineer, Kirby King played a prominent role in the assessment of damage to the facility's structure and various systems and assisted in the coordination of hundreds of workers to provide for the restoration of critical structural and life-safety systems which resulted in a quick reopening of the World Trade Center; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, Kirby King was awarded the Executive Director's Award of Achievement and the James G. Hellmuth Unit Citation Award in 2004 for making the vision of AirTrain JFK a reality for the agency, and, in 1993, received the agency's World Trade Center Award for Exceptional Service in connection with his efforts in the reconstruction of physical facilities and systems following the 1993 World Trade Center bombing,

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey do hereby express to Kirby King their sincere appreciation for his service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Kirby King as a token of the high esteem in which he is held by the Board and staff alike.

Whereupon, the meeting was adjourned.

Secretary