

Torres Rojas, Genara

FOI#14488

From: lbs4@columbia.edu
Sent: Thursday, December 26, 2013 10:15 AM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: Lynne
Last Name: Sagalyn
Company: Columbia University
Mailing Address 1: 3022 Broadway
Mailing Address 2: Uris 816
City: New York
State: NY
Zip Code: 10027
Email Address: lbs4@columbia.edu
Phone: 212 854 3380
Required copies of the records: Yes

List of specific record(s):

Letter to the Port Authority from Host Marriott Corp. re its rights to build a hotel on the WTC site as largeeeh one that was destroyed in the 911 attack, send in or around March to April, 2003.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

November 17, 2014

Ms. Lynne Sagalyn
Columbia University
3022 Broadway Uris 816
New York, NY 10027

Re: Freedom of Information Reference No. 14488

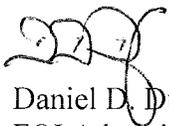
Dear Ms. Sagalyn:

This is in response to your December 26, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for a copy of the letter to the Port Authority from Host Marriott Corp. regarding its rights to build a hotel on the World Trade Center site as large one that was destroyed in the 911 attack, send in or around March to April, 2003.

Material responsive to your request and available under the Code can be found on the Port Authority's website at <http://www.panynj.gov/corporate-information/foi/14488-WTC.pdf>. Paper copies of the available records are available upon request.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,



Daniel D. Duffy
FOI Administrator



**HOST MARRIOTT
CORPORATION**

October 21, 2003

Mr. James T. Connors
The Port Authority of New York and New Jersey
225 Park Avenue South
19th Floor
New York, New York 10003

Re: New York Marriott World Trade Center

Ladies/Gentlemen:

This letter ("**Letter**") sets forth the material terms and conditions under which HMMH WTC LLC ("**Host Marriott**") and The Port Authority of New York and New Jersey (the "**Port Authority**"), following the terrorist attacks of September 11, 2001 (the "**Attacks**"), are willing to settle fully and finally all matters arising out of the Agreement dated as of November 2, 1995 between the Port Authority and Host Marriott Corporation (as amended, the "**Purchase Agreement**") pursuant to which Host Marriott Corporation agreed to purchase the right to lease the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York (the "**Hotel**") and the Agreement of Lease dated December 21, 1995 between the Port Authority and Host Marriott (as amended, the "**Lease**"). The terms and conditions for the settlement of all such matters shall be set forth in a settlement agreement between the parties (the "**Settlement Agreement**") and shall include the following:

Settlement:

On the Effective Date (defined below) Host Marriott and the Port Authority shall surrender and terminate the Lease and terminate the Purchase Agreement; and Host Marriott and the Port Authority shall agree to a mutual release of any and all claims or liabilities arising under or related to the Purchase Agreement, the Lease, Host Marriott's letting of the Hotel or the Attacks. In connection therewith, the Port Authority shall relinquish and release any claim it has or may have to, or interest in, any insurance proceeds under Factory Mutual Insurance Company ("**FMIC**") policy no. LP300 covering the Hotel (among other properties) from April 1, 2001 to April 1, 2002 (the "**Policy**").

JAMES F. RISOLEO

EXECUTIVE VICE PRESIDENT, ACQUISITIONS AND DEVELOPMENT

8003 ROCKLEDGE DRIVE, SUITE 1500 GETHESDA, MD 20817 240-744-5300 FAX 240-744-5305
JIM.RISOLEO@HOSTMARRIOTT.COM

**HOST MARRIOTT
CORPORATION**

FMIC Release:

On the Effective Date Host Marriott will deliver an agreement pursuant to which FMIC and the Port Authority shall agree to a mutual release (the “**FMIC Release**”) of any and all claims or liabilities arising under or related to the Policy.

Marriott Release:

On the Effective Date Host Marriott will deliver an agreement pursuant to which Marriott International, Inc. (“**Marriott**”), the parent entity of West Street Hotels, Inc., the operator of the Hotel pursuant to a management agreement with Host Marriott (the “**Management Agreement**”), and the Port Authority shall agree to a mutual release (the “**Marriott Release**”) of any and all claims or liabilities arising under or related to the Hotel, the Lease, the Management Agreement, the Settlement Agreement, the Attacks or the Policy. If Host Marriott is unable to deliver the Marriott Release on the Effective Date, it shall deliver an indemnification pursuant to which Host Marriott, L.P. (“**Host**”) shall agree to indemnify the Port Authority from and against any claims, demands, obligations, damages or liabilities brought by Marriott or its affiliates or subsidiaries against the Port Authority arising under or related to the Hotel, the Lease, the Management Agreement, the Settlement Agreement, the Attacks or the Policy (the “**Host Indemnity**”).

Facility Amount:

Host Marriott shall pay the Facility Amount (as defined in the Purchase Agreement) to the Port Authority on the Effective Date.

Right of First Offer:

On the Effective Date Host shall pay One Million Dollars (\$1,000,000) to the Port Authority for the first right of offer in the event the Port Authority, or the then-owner of the redeveloped World Trade Center (the “**World Trade Center**”) determines the desirability of developing a hotel within the World Trade Center complex. Host’s first right of offer shall be governed by the terms set forth on Schedule A annexed hereto and unless sooner exercised, shall expire on December 31, 2023.

HOST MARRIOTT
CORPORATION

Effective Date:

The effective date of the transactions set forth in this Letter ("Effective Date") shall be the date on which the conditions precedent set forth below have been satisfied or waived in writing. If the Effective Date shall not have occurred by November 28, 2003, the Settlement Agreement shall terminate and be of no further force or effect.

Conditions Precedent:

Host Marriott's obligation to consummate the matters set forth in this Letter is subject, among other things, to (a) receipt of the approval of the Board of Directors of Host Marriott Corporation, (b) delivery of the FMIC Release and (c) the execution and delivery of the Settlement Agreement and related documents satisfactory to Host Marriott and its counsel. The Port Authority's obligation to consummate the matters set forth in this Letter is subject, among other things, to (x) receipt of the approval of its Board of Commissioners, (y) delivery of the FMIC Release and the Marriott Release (or, in the alternative, the Host Indemnity) and (z) the execution and delivery of the Settlement Agreement and related documents satisfactory to the Port Authority and its counsel.

Confidentiality:

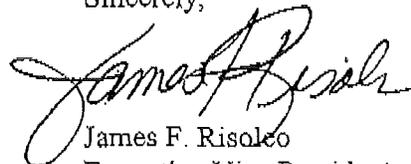
The terms and provisions of this Letter shall remain confidential and shall not, without the consent of the parties hereto, be disclosed to any third party other than each party's governing bodies, parents, subsidiaries, affiliates, agents, consultants, attorneys, accountants and other experts, provided such persons have been advised of the confidential nature of this Letter and have agreed to treat such information in accordance with the terms of this Letter. If either party becomes legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigation demand or similar process) to disclose the terms and provisions of this Letter, such party shall provide the other party with prompt written notice so that the other party may take such actions, as it deems necessary. Any disclosure deemed by the Port Authority to be required under its Freedom of Information Policy shall not be deemed a violation of this Section.

HOST MARRIOTT
C O R P O R A T I O N

Notwithstanding anything herein to the contrary, either party to this Letter, and any employee, representative, or other agent of either party to this Letter, may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the federal and state income tax treatment and tax structure of the matters set forth herein and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure.

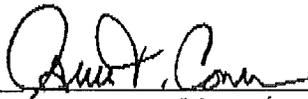
This Letter constitutes only a general statement of the terms of the proposed settlement, and neither Host Marriott nor the Port Authority shall have any liability in connection with the matters described above (except as set forth in the Section entitled "Confidentiality") until such time as the Settlement Agreement has been executed by both parties. To acknowledge your agreement to the material terms and conditions of a settlement as set forth in this Letter, please execute a copy of this Letter where provided below and return the same to me.

Sincerely,


James F. Risoleo
Executive Vice President

ACKNOWLEDGED AND AGREED TO this
24th day of October 2003:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: 
Its: Deputy Director
Real Estate

HOST MARRIOTT
CORPORATION

Schedule A

Right of First Offer

to develop

In the event that during the period from the Effective Date to December 31, 2023, both dates inclusive (the "Negotiating Period"), the Port Authority or any lessee of the World Trade Center site concludes that it is desirable to develop a hotel within the World Trade Center site, and the Port Authority or its lessee wishes to lease an area within the site for such purposes, then, and in such event, the Port Authority or its lessee will notify Host. Host shall have the right to offer such hotel within the World Trade Center site, and the Port Authority and Host shall then in good faith mutually discuss and negotiate the leasing of such area towards the end of reaching an agreement upon the terms and conditions to govern the letting thereof and the development of the hotel. If the Port Authority and Host reach an agreement on the terms and conditions to govern the leasing of such area, the Port Authority shall prepare an appropriate agreement setting forth the details of the arrangement with respect to the construction, operation and maintenance of the hotel for execution by Host. If the Port Authority and Host fail to reach final agreement on the terms and conditions to govern the leasing of such area within two months after the date of the Port Authority's notice to Host, or if after reaching final agreement on all of the terms and provisions Host fails to execute and deliver to the Port Authority the agreement prepared by the Port Authority setting forth the details of the final agreement with respect to the construction, operation and maintenance of the hotel within sixty (60) days after submission to Host of such agreement then and in either such event the Port Authority may freely discuss with other parties the leasing of areas within the World Trade Center site on whatever basis it may in its discretion determine, provided the terms and conditions of such leasing are not materially more favorable than those discussed with Host. The parties specifically acknowledge and agree that nothing in this provision shall create, or be deemed to create, any obligation on the part of either party to enter into a lease until the final lease terms are agreed to, or any inference or implication that either party will do so.