

The Port Authority of New York and New Jersey
Board Meeting Transcripts
December 4, 2013

[Chair D. Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. The Committee on Governance & Ethics met in both public and executive session, and the Committees on Security and Finance and the Audit Committee met in executive session prior to today's meeting. In addition, earlier today the Committees on Operations and Capital Planning, Execution & Asset Management and the World Trade Center Redevelopment Subcommittee met in both public and executive sessions, and the Security Committee and the Committee on Finance's Insurance Working Group met in executive session. Their reports will be filed with the official minutes of today's Board Meeting. The commissioners also met in executive session earlier today to discuss 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 related to personnel and personnel procedures and to discuss and act upon matters involving public safety or law enforcement. Our first order of business today is a presentation by our Executive Director and Deputy Executive Director to highlight some of the actions that are being advanced today for approval. Pat? Bill?

[Exec. Dir. P. Foye] Chairman, thank you. Good afternoon, ladies and gentlemen. I want to take a few minutes to discuss investments considered and approved by the Board of Commissioners of the Port Authority today. Today the Board is approving major agreements and investments on projects to improve infrastructure and resilience in this region worth an estimated \$370 million in total investment. Projects approved today range from improvements to the road network at the ports, investments in our airports, and continued commitment and investment at the World Trade Center site. This year, in 2013, the Port Authority has authorized a total, spent over a period of years, of over \$3.7 billion in infrastructure investment in our facilities, creating and retaining jobs throughout the region. Let me begin with Sandy storm mitigation and resiliency. Today the Board discussed our next steps in the Sandy recovery program. We have previously presented our preparedness measures to the public and to the Board— steps taken to withstand the next superstorm, Sandy or otherwise. Today the Board will approve funding to engage in planning and design for a comprehensive multiyear Sandy mitigation resilience program. Today's authorization of \$108 million will allow the various line businesses to create a long-term agenda for Sandy-related capital projects. A slate of resiliency projects that will protect the agency's assets from future hazards will be developed through this program. We will of course work closely with our federal funding partners at all levels to ensure that all requirements are met as part of the overall \$60 billion in funding made available to this region for Sandy recovery efforts. I want to touch briefly on development of Liberty Park at World Trade Center. Aside from the investments we make to protect our assets and build back stronger and smarter, we're also committed to creating public space as part of our revitalization efforts in Lower Manhattan. Today the Board discussed a \$107 million project to design and construct an elevated park as well as finish the remaining street finishes for the south side of the World Trade Center site. At approximately 63,000 square feet, this park above the roof of the Vehicular Security Center and 25 feet above Liberty Street will serve as a public gathering place for

workers as well as the increasing number of residents and tourists in the neighborhood. The park will provide pedestrian connection from the park to Battery Park City with intricate landscaping and flowering and indigenous trees. A living green wall will also be featured along the façade of Liberty Street. We hope this new public space, which will also be home to St. Nicholas Greek Orthodox Church, will provide the public with an outlook to the site below that can be a place of calm in this bustling and energetic neighborhood. Lastly, before turning it over to Bill, I want to talk about 4 Times Square. In order to leverage private sector expertise at the World Trade Center site, the Port Authority and the Durst Organization have come to an agreement to market and lease 840,000 (SIC 842,000) square feet of existing Conde Nast office space in 4 Times Square. As you know, Conde Nast is the premier anchor tenant at One World Trade Center and plans to relocate to One World Trade Center in early 2015, bringing economic activity and supporting the resurgence of Lower Manhattan. As part of this relocation, several years ago the Port Authority took on certain rent obligations at 4 Times Square, Conde's existing home. This obligation is customary for securing a major anchor tenant for construction of a new office building like One World Trade Center. Today's agreement allows the Durst Organization to serve as the exclusive leasing agent for this highly desirable space at Durst 4 Times Square. New rents will be split with the Port Authority, which the agency will use to offset its rent obligations. Durst management of the leasing for this space allows the Port Authority to continue its focus on critical transportation needs, like the next item Bill will discuss. Bill?

[Dep. Exec. Dir. B. Baroni] Thanks, Pat. In the area of both ports and airports, in an effort to increase the efficiency of access to our New Jersey Marine Terminals, the Board is asked to approve over \$100 million to upgrade the road network at the ports. By upgrading and realigning 5 major access roads to the New Jersey Marine Terminal— and that includes Port Newark and Port Elizabeth— the project will vastly improve the flow of trucks in and out of the terminals. This will enhance reliability of cargo movement in and out of our region. In addition, these upgrades provide significant safety and environmental benefits to the area. This project will include new pavement for all of these roads as well as traffic lights, signage, and curbing. Corbin Street ramp has been the site of accidents over the years. We are committing to demolishing the Corbin Street ramp and replacing it to meet improved safety standards. Increasing efficiency of port traffic also reduces carbon emissions due to truck idling. We found that the widening and realigning of other roads in our port system, such as McLester Street as well as Port Street and Brewster Road, reduced emissions by 281 pounds a year. This project is expected to generate \$156 million in economic activity as well as 560 total job years over the life of the project. Across the Turnpike at Newark Airport, the Board also discussed an agreement with the Westfield Corporation today to continue to bring great amenities and concessions to Terminals A and B at Newark Liberty International Airport. This action extends our agreement with Westfield Concession Management to develop, lease, and market over 78,000 square feet of retail, restaurants, and duty-free stores for another 2 years. As you know, the Board of Commissioners authorized a 7-year management agreement with a 3-year option with Westfield in 2007 after a public and competitive solicitation process. As part of that agreement, Westfield made an initial investment of \$500,000 in store renovations and improvement to the concessions at Newark. Under that agreement, 66 concession spaces have been leased and redeveloped under the program, reinvigorating the terminals. As part of the extension and the agreement the Board has been asked to approve today, Westfield will invest an additional \$3.5 million for renovations

in the food courts in these terminals. We believe this will create a better experience for our passengers waiting in the terminals with more options for food and for dining. Thank you.

[Chair D. Samson] Thank you. We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which may be limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Senator Loretta Weinberg.

[Sen. L. Weinberg] [clears throat] Pardon me. Thank you very much. Good afternoon, members of the Board, staff, and guests. You know, it was with kind of an up spirit that I listened to the report from your Executive Director and Deputy Executive Director of some of the grand plans that the Port Authority has. And it just seems to me that we have to spend time on a sordid affair kind of denigrates the work that's being done by this Authority and takes away from the larger picture. We've been waiting almost 3 months for answers to what happened the week of September 9th in Fort Lee. Unanswered questions have led to bizarre speculation about petty political games at high levels right here in this august agency. And I would assume that each of you must be equally embarrassed by the lack of answers— the lack of answers which has led to more speculation about cover-ups and unsavory motives. It is your collective responsibility to clear this up once and for all. What we do know is that a public information officer initially made reference to a traffic study but provided no elaboration. Then the Port Authority seemed to back away from that explanation. They gave no responses even when asked pointedly and directly. What we did learn didn't come officially. What we did learn was disturbing. There was the email from the Executive Director of the Port Authority, Patrick Foye, in which he expressed his outrage that these lanes were closed without the normal notifications and obviously without notification of even Port Authority officials, including himself. He even suggested the lane closures could have broken state or federal laws. And yet we have no answers. Then we learned of a confidential letter from the mayor of Fort Lee imploring the Port Authority to give some answers. The stubborn refusal of the Port Authority to answer any question or provide any documentation has fueled the accusation of political motives. They eventually said they were performing an internal investigation. We have no verification of that. Now, months after the fact, the Port Authority is claiming that the closures were part of a traffic study. First of all, let me correct the impression that was left before the Assembly Transportation Committee. These lanes are not for the exclusive use of Fort Lee residents. In fact, I'm from Teaneck, my colleague is from Englewood, we have with us somebody from Leonia. Do you know what? We drove our car right over those lanes. You can get to them through any street in Fort Lee. There are large signs. They are not limited to the exclusive use of Fort Lee residents, and having left that impression was completely inappropriate. With all due respect to Mr. Baroni, after all this time the only admission of guilt by the Port Authority is of failure to communicate. And that, ladies and gentlemen, is the understatement of the year. Now Mr. Foye has been subpoenaed. Mr. Foye has the opportunity to step forward and let people know what he's learned, what he knew, what he didn't know, and to provide documents from the Port Authority that shed light on this unfortunate episode. I would hope that Mr. Foye and the rest of you would want to provide this information and not under the cloud of a subpoena. I wish you

all a very happy holiday season. I would like to also get an answer on when I might expect an answer to my FOIA request. Thank you very much.

[Chair D. Samson] Thank you. Our next speaker is Murray Bodin.

[M. Bodin] Fire engines. I was going to present a red fire engine award today, but it wasn't a good idea. I was going to discuss—and that wasn't a good idea either. And I was going to dis—and I can't talk about that either. So it's a problem. I'll talk about— [male chuckling] You think it's easy to figure out what to talk about? [female] You want some notes?

[M. Bodin] No, no. The problem is, the people at the top are executives, and there are staff members who make decisions that are absolutely idiotic. Let me talk about the lights on top of police cars in New York State. It's a state contract. They decided—some staff member decided that we're going to have these red and blue lights on top, and they're too bright. You can't see the police officer standing next to the car because the lights are in your eye and they blind you. That was a staff decision having no input to the guy up at the top, who is now stuck with explaining it. It's pretty much, I guess, what happened out there. Somebody made some decision, and you can't find out who designed these lights up on top. How do you unwind that? Well, I'm going on. There was a Metro-North railroad accident the other day. The train horns are blown at every station. Why? Seventy-five years ago, New York Central Railroad decided because that's what we did. Now we have public address systems. So if you want somebody to step back from the platform, you do it on a public address system and not blow the train horn because everybody ignores it because you don't know which one it's blowing for. How do we make that transition from what used to be—red fire engines— to what the Port Authority uses—this color? It's a difficult problem, and I'm working on it. And there are significant people, both in New Jersey, in New York, and at the Port Authority, who are trying to work this out. But there are outmoded rules—railroad, the manual Uniform Traffic Control Devices. How do we unwind that? You have a point, but you would do much better to address why they blow the train horns at every railroad station because that needs to change. That has a future impact. What you're talking about was not right or whatever, but it's in the past. How do we move forward? You've got 2 red flashing lights at all your railroad crossings? Why don't you use the red-blues, because then people will see. You want to do something? Move forward. The past, okay, it happened. But now you have a responsibility to change those lights and change the train horns. That's for the future.

[Chair D. Samson] Thank you. Our next speaker is Richard Hughes.

[R. Hughes] Well, I want to pick up on what Murray said about the future. He's absolutely right. We have to move forward. And we need to do things better. You've heard me criticize this agency for many things that have been done in the past. I know they can't be rectified, but we can change certain aspects of the future. We can think about the future and do things better. Everybody on this Board is an intelligent person. Many of you have real vision, but you're not using your intelligence, you're not using your vision. We're still doing the same old things, and there's a lack of imagination at work. And I know you have imagination. You're living in the past. You're doing things by the past. The plan for the World Trade Center is deeply flawed. You know that. We've tried to point it out many, many times. There is still time to change that

plan. There is still time to improve it. There is time to make it better. I think a couple weeks ago you finally prevailed, and One World Trade Center will now be claimed the tallest building in North America, which isn't much of a claim considering there are buildings twice as tall in the rest of the world. But nevertheless, you get to claim that. And yet the Willis Tower in Chicago is actually 100 feet taller as a building if you remove the TV antennas. And yet this agency, this great agency, not so many years ago built not only the tallest building in the world, it built the second tallest building in the world, 2 of them exactly the same size. You didn't just build 1, you built 2. That's how great this agency once was. There was vision. And I know there's still vision here. But somehow, as Murray keeps pointing out, we're locked in this gridlock, can't seem to get past it. I know you all answer to different bodies and people and politicians and it's hard, but it can be done, and you actually can make it happen. You have the power to make it happen. You have the experience to make it happen. We at the Twin Towers Alliance have long called for rebuilding the Twin Towers because that's what the majority of people wanted. I mean, right after 9/11, not so long after 9/11, fifty percent of New Yorkers said they wanted the Twin Towers rebuilt even after we had been through a terrible, terrible tragedy. I'm not saying you have to rebuild the Twin Towers, but you should do something that makes this project sizzle and makes it exciting and makes it capture the world's imagination. Then Pat Foye here wouldn't have to go through all these machinations with Conde Nast and all these financial manipulations to try to get an anchor tenant and keep it there, and you still haven't filled the towers and you haven't filled the project. If it were exciting, everybody would be lining up. It would be the greatest project in the world. Meanwhile, people are surpassing you. I wish you all happy holidays, the best of the season. In the new year I hope you'll be thinking new and greater thoughts. Thank you.

[Chair D. Samson] Thank you. Our next speaker is Assemblyman Gordon Johnson.

[Asm. G. Johnson] Good afternoon, everyone, and thanks for letting me speak here today again. Once again we're here today to address the issue of the road closures. A major difference today is the toll I paid to get here. It's gone up, as you may have seen. Although the silence was finally broken and we heard the official explanation for the lane closures, Mr. Baroni's testimony at the Assembly Transportation Committee was far-fetched and improbable. He talked about a traffic safety study and fairness. I commend him for his delivery of the dubious explanation, but he should have begun his testimony with, "Once upon a time" because it was a fairy tale. First of all, there is no special Fort Lee entrance to the bridge. It's just one of several entrance points that allow people to access the bridge. There is no contract with the Borough of Fort Lee, no MOU with the Borough of Fort Lee. The fact is, an individual, Mr. Wildstein, ordered the closures. He abused his authority, his position and power, knowing this would cause traffic chaos in the Borough of Fort Lee, causing schoolchildren to be late for their first day of school and adversely affecting response times for the Fort Lee first responders— police, fire, and EMS. The people of the Borough of Fort Lee were made to pay the price because a demagogue in the Port Authority chose to abuse his power. And the people of Fort Lee deserve to learn the truth and what actually happened. So I thank you for allowing me to speak here today. Hopefully we'll get to the bottom of this. And I too wish everyone here a happy holiday. Thank you.

[Chair D. Samson] Thank you. Our last speaker is Margaret Donovan.

[M. Donovan] Good afternoon. Here we are again. Why do we keep coming back year after year? What good do we think it does? I want to share something with you that most of you have probably never seen. I hope you will take a good look at the copy I will leave for each one of you because as public servants, you owe it to the overburdened commuters, truckers, and taxpayers to be able to be certain that what you are doing at the country's World Trade Center is legitimate. You even owe it to the governors you serve. This is what I'm passing around, the July 14th cover of the New York Post, July 14, 2002, when you started listening to the city. The front page— Ah. Why does this matter? You might say there are 1776 reasons why. Either One World Trade Center is just a big building or it is a symbol. If it is a symbol, then you better be ready to back up what you say it symbolizes. It is next to impossible to make a coherent case for this complex issue in 3 minutes, so I will follow up by mail over the next few weeks and will post a presentation on our website. Richard Hughes talks repeatedly about vision. It probably sounds like hot air to you. But as the saying goes, you see what you look for. You are all no doubt quite confident that what you are doing is legitimate, but my question to each one of you is why? The front page from July 14, 2002, referred to a citywide poll with a sampling as large as any national poll that found less than a year after the attacks that a clear majority of New Yorkers wanted to rebuild what was stolen from us, and the other half was splintered into much smaller factions. So what did you ever say to all those citizens? Imagine voting for someone that got 50% of the vote but was shoved aside by someone with 10% of the vote and then no one ever mentioned it again. Would 12 years make it any more legitimate? This is not a question of architecture; it is a matter of accountability. We've seen the pathetic pile of boxes sitting in a cubicle that the LMDC finally produced for us. The notion that the project was based on the public's input is pure fiction. So specifically, what ever gave this project legitimacy? Absolutely nothing. But we just keep paying for it. You can't even produce the Silverstein financials we've asked for since August of 2011, so he keeps making money hand over fist all over the city and all over the world while the public keeps paying his way at Ground Zero. It's insane. I now have my doubts that even the Port Authority's charter is legitimate because I see no way that the Congress, which is under the law, could have sanctioned an agency that is above the law and that provides elected governors with the cover to do things behind the scenes that they are not authorized to do by their offices. As I said, it's insane. And what is specifically insane is that the Board of Commissioners actually thinks that at some point you're not going to have to start answering everybody's questions. Thank you. I wish you all a safe and happy holiday.

[Chair D. Samson] Thank you. May I have a motion to move forward the consent calendar for approval? [unidentified comm.] So moved.

[Chair D. Samson] Second? [unidentified comm.] Second. [Chair D. Samson] All in favor? [all] Aye. [Chair D. Samson] So moved. There being no further business, I move to adjourn today's meeting. May I have a second? [Comm. J. Moerdler] Second. [Chair D. Samson] All in favor? [all] Aye. [Chair D. Samson] The meeting is adjourned. Thank you.