

**The Port Authority of New York and New Jersey
WTC Redevelopment Subcommittee Meeting Transcripts
September 30, 2010**

[Chair A. Sartor] Pushing us to get this started, so if I could have your attention. We've got enough people. Yes, we do. Today's meeting of the World Trade Center Redevelopment Subcommittee is being held in public session in its entirety. In addition, this meeting is being broadcast live on the Port Authority's website for those interested in viewing the proceedings via the Internet. And, as I look down, we have Plate, Plate, and Plate. Let's start with the first one, Vehicle Security Center.

[S. Plate] Good morning, Commissioners. I have two quick items for you this morning. The first item-- in July of 2008, a contract to E.E. Cruz/Nicholson was authorized for construction of the south bathtub. Last month you authorized a project for the design and construction of the VSC and the award of a contract to Yonkers for excavation, foundation, and the remaining portion of the South Bathtub work. Today I'm requesting your authorization to award a contract for structural steel. The contract was publicly solicited, with W&W Steel being the lowest cost proposer at a cost of \$42.5 million, excluding extra work, which compares favorably to the staff estimate of \$52.5 million, and also includes an increase in compensation to Liberty Security Partners for associated design services during construction at a cost of \$3 million. This award brings the project to approximately 50% of trade contracts awarded to date. Once completed, the VSC will provide for vehicle screening and a vital underground link throughout the World Trade Center site.

[S. Plate] Continue?

[Chair A. Sartor] Any questions on this item? I like the number, compared to the estimate. I've heard higher estimates. That's great. I entertain a motion to move this to the full board?

[Vice Chair S. Grayson] I'll move.

[Chair A. Sartor] Second?

[Comm. S. Holmes] Second.

[Chair A. Sartor] Done.

[S. Plate] The second item--our ability to effectively monitor daily activity and access control for over 2,000 workers, hundreds of trucks, and thousands of support staff, is crucial to insure a safe and secure operation. In support of that effort, we are requesting your approval of a \$5 million project to further enhance our existing monitoring and access control capabilities, including additional equipment for the site-wide logistics coordination center to support the opening of the Memorial Plaza on 9/11/11. The systems enhancements include site-wide perimeter surveillance cameras, additional Mac units for iris scanning, and field installation of CCTV and access control equipment to support construction logistics. Supplemental agreements with Diebold Enterprise Security Systems, who has developed and installed a base system, would provide the necessary support to implement this plan. This project supports the ongoing and increasing construction activities at the site, as well as, the transition to the future public

openings of the various site facilities. Commissioners, I request that you advance both of these items to the full board for their approval.

[Chair A. Sartor] Any questions on this item? Steve, is this part of our project budget, or is this supplemental to it?

[S. Plate] Yes, it's included in our project budget. There's an item that we have. It's called security projects and includes this and a number of other items, such as the site-wide operations control center in the future. So it is included.

[Chair A. Sartor] Any other questions? Seeing none, I'll entertain a motion to move this to the full board.

[Vice-Chair S. Grayson] So moved.

[Chair A. Sartor] Second?

[Comm. S. Holmes] Second.

[Chair A. Sartor] Done. Steve, you had an update for us?

[S. Plate] Yes, sir. I would now like to take a moment to outline some of the substantial progress that was achieved on the site in the short 2 weeks since my last update to the board. And we have a lot of say, so that's a good thing. Steel erection at the hub is well underway. Last week DCM utilized the weekend subway outage to install four 7-ton major columns along Platform A, and multiple 10-ton precast concrete sections that form the mezzanine level of the PATH station. We are nearing completion of the East Spot Network core and shell before the end of October, which is a critical, very critical milestone that we promised to make and we are making. Last weekend Skanska Granite began the removal of the top of the number 1 subway box, in order to prepare for the construction of the vital walkway link, connecting both the east and west bathtub namely the PATH Hall and the Oculus area. Finally, a sophisticated steel support system was installed to enable the erection of the Calatrava Steel in the PATH Hall. Thousands of cubic yards of soil continue to be placed on the Memorial plaza each week, which will enable the planting of the next set of approximately 30 trees within the next month. In addition, over 50% of the plaza area has been captured, enabling waterproofing and masonry work to begin in all major areas of the plaza. Electrical work has begun in the East Spot network, in advance of the formal October turnover. And finally, the West Spot network is on target to be completed in October as well, which would energize the Memorial site. Pavilion steel erection is over 60% complete, with erection occurring at night to eliminate any disruption to PATH service. The stainless steel weir that now fully surrounds the north pole was delivered and installed over the last 2 weeks. The last item One World Trade Center-- in my last update, I reported that One World Trade Center steel had reached the 38th floor. Today steel installation has risen to the 40th floor. And I'm proud to report that we are continuing to meet our goal of 1 floor per week, as the building rises into the New York City skyline. Commissioners, we are confident this progress will continue, and I look forward to reporting on our critical efforts, as we move ahead with this important construction.

[Chair A. Sartor] Any questions or comments on this?

[Comm. H. Silverman] A question about--has the Durst involvement in any way been beneficial to us? Has it been relevant to us? Has it been negative in any way that we can correct?

[S. Plate] It's been very positive. We've really--it was seamless, I could say. They came on board. They come with tremendous expertise. Quite frankly, they've complimented us on hitting a floor a week. They didn't think that that would be done as soon as we have. They had some challenges on their project, so they've seen that we've done certain areas even better than them, as far as they've been able to accomplish. They bring to the table abilities to also look at the operation side and the maintenance side. They're getting into the mechanics, so we're really making this very seamless relative to the hand-off at the end of the project. In fact, even looking at better ways to encourage this building to be built more on a business sense. So if they have a way of helping to market it better, we're willing to listen. And I told them that we're totally behind policing this thing as quickly and as much as possible. And we're very--we meet weekly. We have shared all of our drawings, and right now they're on overload, but they're really catching up quickly.

[D. Tweedy] I think they're also helping us strategically think about how to handle Condé Nast, in terms of certain site-wide challenges we face. But even though these projects are advancing so well, to look at the overall site, in terms of how are we ultimately going to access One World Trade Center? They've really engaged with us on how to present those kinds of issues as an appealing and positive way as we can. So I think the relationship is developing really well. Steve has done a lot of work to make that happen, though, I have to say. I mean--they arrived. They needed a lot of knowledge fast. And--you know--it's put some stress on our project management team, but I think it's a give-and-take, and we're getting value from them.

[Comm. V. Bauer] I was just going to ask, any perspective new tenants or any indications of anyone else in addition to Condé Nast interested in leasing space?

[M. Francois] Ah, no. What I think we're trying to do is figure out how Condé Nast, GSA, potentially OGS, etcetera, as well as VanTone, can fit within the existing building. We have ongoing discussions with some other financial institutions. It's no secret Bank of New York and Bank of America are out looking for space. We've had discussions with them, but obviously, we're focusing on what we really have right now and how that is going to be coordinated within the overall program and space. As I think it was noted last week, we really need to come to a decision very quickly on GSA to try to figure out how the lower stack can accommodate both Condé Nast and GSA, if in fact, we can do something with GSA.

[Chair A. Sartor] Has progress been made with GSA? Has the meeting taken place with the new consultant?

[M. Francois] No, no meeting has taken place, but the consultant is on board and getting up to speed on all of the details.

[Chair A. Sartor] Just to go back to the Commissioner's question or comment concerning Durst. My observation, Henry, is that it's working well. It's working very well. I only hope that our other partner situation will work out as well in the future. It hasn't in the past. Hopefully in the future we'll see a lot of improvement in that relationship also. And I want to commend the staff for what is happening down there. For 4 years, everybody was saying, "Nothing is going on, nothing is going on." Nobody realized

that we were building 2 million square feet underground. And now that it's coming up out of the ground, we're getting some very positive press on it. I commend you for that. I understand there may be something on World Trade Center One on Fox News tonight? Anybody know about that?

[C. Ward] I'm forgetting the reporter's name - Shepard Smith. We did a tour with him of One World Trade. He's on Fox news tonight. He was, I think, quite taken with the progress that Steve and his team has made with One World Trade and then the site as a whole. I think Steve went over it quickly--if you could, to go back to the--sorry-- If you could go back to the slide of the Pavilion Steel, Steve? Because this I think is really a signature achievement that we should take a lot of pride in. If you remember, when we did the 2008 assessment, we said that we'd hoped to have the Pavilion steel, the outlines that you see there, erected for the 10-year anniversary, but that we'd make no commitment whatsoever on cladding it. We were really quite clear about that, and today, with Steve noting that 80%-- or he said 60%--65% of that steel is up. We are actually now on schedule to clad that structure by the 10-year anniversary, which will really be, I think, the marker place for the Museum because it's going to be the structure that people will see externally that will represent the Museum because the Museum will be below grade. And the work that the granite and Skanska team have been able to do in and around there, this unique design, this steel and how it is cantilevered and hung, This team is literally building this building in the sky almost. There is really no foundation for where this structure is. It's on steel below steel and cantilevered out over the project. And so I think that is a real sign of the hitting the ground running and delivering this project. And I think--we had a meeting with the Mayor yesterday at the Museum downtown on some day 2 security issues, and having that clad I think will be a major statement for where the Museum is for the year 2012.

[Comm. H. Silverman] Can you give an update on the demolition of the Deutsche Bank building? I know at one point we were told that it would be done by year end?

[S. Plate] They're at the sixth floor right now? Fifth floor--and they're pretty much on target for completing by the end of the year. We've been proactive on our side for the turnover because the contract you're awarding, we need that space, the one you just awarded today. So we're working already on how that transition works, and we're working very closely with the LMDC folks to do that.

[Chair A. Sartor] Yeah, I had a conversation with someone outside of the agency today who is very familiar with what is going on at the Vehicle Security Center, and he feels very confident that they'll be able to deliver on schedule, as we move ahead. So it's early yet, I understand that, but it was good to hear that optimistic projection. Any other questions or issues? Karen, we caught up.

[K. Eastman] Thank you, Steve.

[Chair A. Sartor] I didn't ask you any questions, Steve. I just had a motion that we adjourn. (Vice Chair S. Grayson) So moved.

[Chair A. Sartor] Okay, done.