

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES**

**Thursday, October 22, 2015**

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, October 22, 2015 at 150 Greenwich Street, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. John J. Degnan, Chairman  
 Hon. Richard H. Bagger  
 Hon. George R. Laufenberg  
 Hon. Raymond M. Pocino  
 Hon. William P. Schuber  
 Hon. David S. Steiner

**NEW YORK**

Hon. Scott H. Rechler, Vice-Chairman  
 Hon. Steven M. Cohen  
 Hon. Michael D. Fascitelli  
 Hon. Hamilton E. James  
 Hon. Kenneth Lipper  
 Hon. Jeffrey H. Lynford

Patrick J. Foye, Executive Director  
 Timothy G. Stickelman, Assistant General Counsel  
 Karen E. Eastman, Secretary

Thomas E. Belfiore, Chief Security Officer  
 John Bilich, First Deputy Chief Security Officer  
 Thomas L. Bosco, Director, Aviation  
 Molly C. Campbell, Director, Port Commerce  
 Steven J. Coleman, Deputy Director, Media Relations  
 Nicole Crifo, Senior Advisor to the Chairman  
 Stephanie E. Dawson, Acting Chief Operating Officer  
 John C. Denise, Audio Visual Supervisor, Marketing  
 Diannae C. Ehler, General Manager, Port Authority Bus Terminal/Lincoln Tunnel, Tunnels, Bridges and Terminals  
 Sean M. Fitzpatrick, Chief of Staff to the Chairman  
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals  
 Robert E. Galvin, Chief Technology Officer  
 David P. Garten, Chief of Staff to the Vice Chairman  
 Linda C. Handel, Deputy Secretary  
 Mary Lee Hannell, Chief, Human Capital  
 Portia L. Henry, Executive Policy Analyst, Special Panel Implementation Office  
 Mark Hoffer, Director, New Port Initiatives, Port Commerce  
 Brian Jacob, Principal Board Management and Support Specialist, Office of the Secretary  
 Howard G. Kadin, Esq., Law  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 William Laventhal, Executive Policy Analyst, Office of the Executive Director  
 John J. Liantonio, Senior External Relations Client Manager, Government and Community Affairs  
 Diana Lopez, Senior Advisor, LaGuardia Redevelopment Program, Aviation  
 Andrew S. Lynn, Director, Planning and Regional Development  
 John H. Ma, Chief of Staff to the Executive Director  
 Stephen Marinko, Esq., Law  
 Ronald Marsico, Director, Media Relations  
 Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management  
 Hugh P. McCann, Director, World Trade Center Operations

Daniel G. McCarron, Comptroller  
 Elizabeth M. McCarthy, Chief Financial Officer  
 James E. McCoy, Manager, Board Management Support, Office of the Secretary  
 David J. McGrath, Manager of Marketing and Communications  
 Carlene V. McIntyre, Assistant General Counsel  
 Emily Miuccio, Senior Business Manager, Special Panel Implementation Office  
 Mark F. Muriello, Deputy Director, Tunnels, Bridges and Terminals  
 Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction  
 James A. Starace, Chief Engineer/Director of Engineering  
 Lillian D. Valenti, Chief Procurement and Contracting Officer  
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary  
 Ian R. Van Praagh, Acting Director, Government and Community Affairs, New York

Guests:

Lisa LeBoeuf, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey  
 Michael Wojnar, Special Assistant for Intergovernmental Affairs, Office of the Governor of  
 New York

Speakers:

Christine Berthet, Member of ChecPeds  
 Reverend Michael Blackwell, Agents of Change Ministries  
 Murray Bodin, Member of the Public  
 Janna Chernetz, Tri-State Transportation Campaign  
 Margaret Donovan, Twin Towers Alliance  
 Richard Hughes, Twin Towers Alliance  
 Juan Jimenez, SEIU 32BJ  
 Hon. Gordon Johnson, New Jersey Assemblyman, District 37  
 Pastor James Kofi, Bethesda Healing Center  
 Jean Homer Lauture, Unite Here  
 Eduardo Lopez, Unite Here  
 Patrick McNerney, Port Authority Employee Labor Council  
 Damason Mejia, SEIU 32BJ  
 Sam Melaku, Unite Here  
 Cleotildo Palanco, SEIU 32BJ  
 Nancy Vazquez, SEIU 32BJ  
 Neile Weissman, New York Cycle Club

The public meeting was called to order by Chairman Degnan at 2:34 p.m. and ended at 3:55 p.m. The Board also met in executive session prior to the public session.

### **Action on Minutes**

The Secretary submitted for approval Minutes of the meeting of September 24, 2015. 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 September 24, 2015. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on October 8, 2015.

Whereupon, the Board unanimously approved the Minutes of the meeting of September 24, 2015.

### **Report of Joint Meeting of Committees on Capital Planning, Execution and Asset Management and Finance**

The Committees on Capital Planning, Execution and Asset Management and Finance reported, for information, on matters discussed in executive session at their joint meeting on October 22, 2015, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, matters in which the release of information could impair the right to receive funds from the United States or other grantor and matters involving public safety or law enforcement, and the report was received.

**PORT JERSEY-PORT AUTHORITY MARINE TERMINAL – GCT BAYONNE LP –  
LEASE LPJ-001 – SUPPLEMENT**

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement (Lease Supplement) to amend Lease LPJ-001 (Lease) with GCT Bayonne LP, formerly Global Terminal and Container Services, LLC (Global), at the Port Jersey-Port Authority Marine Terminal (Port Jersey) to provide for: (1) the construction and development by Global of the Intermodal Container Transfer Facility (ICTF) at the Greenville Yard-Port Authority Marine Terminal (Greenville Yard); and (2) modification of the rent reduction clause relating to the construction of the ICTF.

On April 30, 2009, the Board authorized, among other things, the acquisition of approximately 100 acres of property owned by Global located on the Port Jersey Channel in Bayonne/Jersey City, and a new 37-year lease with Global for the 100-acre parcel and the adjacent 70 acres of property at Port Jersey for the development of a new container terminal facility. The Lease with Global obligates the Port Authority to design and construct an operational ICTF at Greenville Yard, to be known as ExpressRail Port Jersey, with a minimum capacity of 125,000 lifts annually, by July 1, 2014. The Lease further specifies that if this deadline is not met, the rent payable by Global under the Lease would be reduced by a certain formula until an ICTF with such minimum capacity is constructed.

On September 17, 2014, the Board authorized, among other things as part of the Greenville Yard Redevelopment Program (Program), the final design and construction of the ICTF by the Port Authority, at a total project cost of approximately \$149 million, which included a total of \$16.8 million in previously authorized funds. Work is to include the construction of approximately 10,000 linear feet of working track, paved container transfer space, infrastructure to support rail-mounted gantry cranes and rail operations within the ICTF footprint, and approximately 32,000 linear feet of support track, rail switches, utilities and site work outside of the ICTF footprint.

The Lease Supplement would provide for Global, rather than the Port Authority, to complete the final design and construction of the ICTF at Greenville Yard, and for the Port Authority to utilize a portion of the previously authorized Program funds to provide a capital improvement allowance to Global of up to \$56 million for that purpose. Funds associated with the capital improvement allowance would be paid by the Port Authority to Global only as Global incurs costs for actual improvements associated with the construction and development of the ICTF. Global would commit to absorb any cost overruns beyond the Port Authority's capital improvement allowance of up to \$56 million, while ensuring the construction of an efficient and technically advanced ICTF in a timely and expeditious manner. Under the Lease Supplement, should the full \$56 million not be expended to construct the ICTF, the purchase of certain ICTF improvements and related components would be permissible with any remaining funds. All costs associated with the construction of the ICTF would be fully recoverable through the Cargo Facility Charge (CFC), pursuant to the Marine Terminal Tariff – Federal Maritime Commission Schedule No. PA-10. The continued implementation of the ICTF project is contingent on the continued existence of the CFC, which is expected to cover the cost of the project.

Given that the July 1, 2014 deadline to provide Global with an operational ICTF with a minimum capacity of 125,000 lifts annually has not been met, the rent payable by Global for the development acres is currently being reduced, consistent with the terms of the existing Lease. The Lease Supplement, in addition to allowing Global to undertake construction of the ICTF, also would modify the current rent reduction clause to stipulate that rent reduction would end upon delivery by the Port Authority of two connecting rail tracks to the ICTF and associated receiving and departing tracks.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voting in favor. Assistant 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 a supplemental agreement to Lease LPJ-001 with GCT Bayonne LP, formerly Global Terminal and Container Services, LLC (Global), at the Port Jersey-Port Authority Marine Terminal to amend the lease in order to provide for: (1) the construction and development by Global of the Intermodal Container Transfer Facility (ICTF) at the Greenville Yard-Port Authority Marine Terminal; and (2) modification of the rent reduction clause relating to the construction of the ICTF, all 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 contracts and agreements necessary or appropriate in connection with the foregoing; 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 or her authorized representative.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – CARGO AIRPORT SERVICES USA LLC – BUILDING 151 – NEW LEASE AYE-429**

It was recommended that the Board authorize the Executive Director to enter into a new lease agreement with Cargo Airport Services USA LLC (CAS) for Building 151 at John F. Kennedy International Airport, for a four-year term commencing on or about December 1, 2015.

Japan Airlines Management Corp. (JAMC) currently leases Building 151 under Lease ABY-970, which expires on November 30, 2015. Building 151 was constructed as a cargo handling facility by JAMC and was completed in 1994. The building is composed of approximately 235,000 square feet of warehouse/ground service equipment space and approximately 79,000 square feet of office space. Under the proposed lease, CAS would continue to provide cargo handling services and sublet office space to the 14 air carriers and 20 subtenants currently located in Building 151.

The Port Authority would receive a total aggregate rental of approximately \$22.7 million over the term of the proposed agreement.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voting in favor. Assistant 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 a new lease agreement with Cargo Airport Services USA LLC for Building 151 at John F. Kennedy International Airport, for a four-year term commencing on or about December 1, 2015, 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 contracts and agreements necessary or appropriate in connection with the foregoing; 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 or her authorized representative.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – BRITISH AIRWAYS PLC –  
TERMINAL 7 – LEASE AYB-876 – SUPPLEMENT NO. 3 – LEASE EXTENSION  
AND IN-LINE BAGGAGE SCREENING SYSTEM**

It was recommended that the Board authorize the Executive Director to enter into an agreement with British Airways Plc (British) to supplement Lease AYB-876 for the continued use and occupancy of Terminal 7 (Terminal) at John F. Kennedy International Airport (JFK) for a term of seven years, with a mutual option to extend the term for an additional three years, and for British to make a \$43 million capital investment at the Terminal, including the design and installation of an in-line baggage screening system, as part of an existing grant program with the United States Department of Homeland Security, acting through the Transportation Security Administration (TSA).

The lease supplement would be effective as of November 30, 2015. The Port Authority and British would have the mutual right to terminate the lease in the event another terminal operator is selected for the Terminal or other suitable terminal facilities at JFK become available to British.

During the seven-year term of the lease extension, the Port Authority would receive an estimated \$257.7 million in fixed rent and a percentage of gross food and beverage concessions and retail, duty free and specialty retail revenues.

British would make \$43 million in capital improvements to the Terminal (Minimum T7 Capital Investment), which would provide for improvements to the departure gate areas, landside check-in area, auto passport check and immigration services, and terminal infrastructure improvements. British would continue to be responsible for all operational and maintenance costs at the Terminal. At the end of the extension term, the Port Authority would have the option to buy out certain of British's personal property. Any personal property submitted by British under the Minimum T7 Capital Investment plan and approved by the Port Authority as part of that plan would be deemed a fixed investment to the Terminal, and would neither be removed from the premises by British nor subject to any compensation from the Port Authority to British. In the event that British did not make the Minimum T7 Capital Investment on or before November 30, 2019, then on or before April 1, 2020 British would be responsible for an additional payment to the Port Authority of a portion of the shortfall, distributed partially in a lump sum and partially as a premium to the Terminal rent for the remaining term of the lease extension.

In addition, in connection with the Port Authority's existing agreement with the TSA to accept \$400 million in federal aid for allowable costs of a project to replace or renovate electronic baggage screening and handling systems at selected passenger terminals at JFK, LaGuardia Airport and Newark Liberty International Airport, British would design and install an in-line baggage screening system at the Terminal. British would be responsible to pay all costs up front and would receive reimbursement from the Port Authority only after funds are received by the Port Authority from the TSA. The portion of British's in-line baggage screening installation costs not eligible for TSA reimbursement would be allocated toward British's Minimum T7 Capital Investment.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voting in favor. Assistant 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 a supplemental agreement to Lease AYB-876 with British Airways Plc for the continued use and occupancy of Terminal 7 (Terminal) at John F. Kennedy International Airport, effective as of November 30, 2015, for a term of seven years, with a mutual option to extend the term for an additional three years, and for British to make a \$43 million capital investment at the Terminal, including the design and installation of an in-line baggage screening system, as part of an existing grant program with the United States Department of Homeland Security, acting through the Transportation Security Administration, 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 contracts and agreements necessary or appropriate in connection with the foregoing; 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 or her authorized representative.

## **JOHN F. KENNEDY INTERNATIONAL AIRPORT – REHABILITATION OF RUNWAY 4R-22L AND IMPLEMENTATION OF DELAY REDUCTION INITIATIVES – PROJECT AUTHORIZATION**

It was recommended that the Board authorize: (1) a project for the: (a) rehabilitation of Runway 4R-22L and associated taxiways and infrastructure, inclusive of electrical, drainage and outfall improvements, at John F. Kennedy International Airport (JFK); (b) reconfiguration of associated taxiways and construction of new high-speed taxiways to facilitate airport delay reductions; and (c) extension of the 4R Engineered Material Arresting System (EMAS), all at an estimated total project cost of \$125.6 million; (2) the Executive Director to award: (a) a contract to perform construction work associated with the rehabilitation of Runway 4R-22L, reconfiguration of associated taxiways, construction of new high-speed taxiways (inclusive of electrical, drainage, and outfall improvements) and all associated work, at an estimated total construction cost of \$86.8 million, inclusive of extra work and net cost work; (b) a negotiated contract with a joint venture of Engineered Arresting Systems Corporation (EASC) and Jacobs Engineering Group Inc. (Jacobs), or an affiliate thereof, to design and construct a 30-foot extension to the existing 4R EMAS; and (c) a contract for professional technical and advisory services for planning work in connection with developing strategies to reduce operational inefficiencies as part of the project, at an estimated cost of \$3 million; and (3) the Executive Director to submit an application to the Federal Aviation Administration (FAA) for permission to use up to \$125.6 million in Passenger Facility Charges (PFCs) to recover expenditures associated with the Runway 4R-22L and associated taxiways project.

Runway 4R-22L, which serves as a primary landing runway at JFK, last was rehabilitated in 2001. Interim pavement repairs were performed in 2013. The runway and associated taxiway pavements show normal age-related wear, based on heavy usage and weathering, and require rehabilitation in order to maintain a state of good repair.

The scope of work for the proposed project would provide for the milling and repaving of Runway 4R-22L and associated taxiways, modifications to the configurations of the associated taxiways, and construction of two new high-speed taxiways. Work also would include: the installation of pavement markings, new aeronautical lighting and guidance signs for the runways and taxiways; the replacement of associated electrical and drainage systems; and the rehabilitation of drainage outfalls that serve Runway 4R-22L. Bids for the work would be solicited from a list of pre-qualified aeronautical paving contractors developed from a publicly advertised Request for Qualifications, with award to the lowest qualified bidder.

The 4R EMAS, damaged during Hurricane Sandy, was replaced in 2014. At that time, the FAA allowed the Port Authority to replace the EMAS in its existing footprint, with an understanding that the Port Authority would strengthen the EMAS during the rehabilitation of Runway 4R-22L. The proposed extension of the EMAS would improve stopping capability and thus satisfy the FAA stipulation. The contract for the design and construction of the extension of the EMAS would be negotiated with a joint venture of EASC and Jacobs, or an affiliate thereof, due to the proprietary nature of the technology and an FAA requirement to use the joint venture (or an affiliate thereof), the sole approved contractor.

The proposed project also includes a Runway 4R-22L West Airfield planning study that would identify strategies to reduce operational inefficiencies and inform the delay reduction program for Runway 4R-22L and associated taxiways, in a manner consistent with current FAA standards.

These services would be procured via a publicly advertised Request for Proposals, with award to the highest-rated proposer.

The proposed project implementation plan, which would require periodic runway closures, has been reviewed with the FAA and the airlines operating at JFK, which have concurred with the scheduling of closures.

An application for permission to use up to \$125.6 million in PFCs to recover expenditures associated with the Runway 4R-22L and associated taxiways project would be submitted to the FAA. The costs for the project are also fully recoverable via JFK Flight Fees.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voting in favor. Assistant 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: (1) rehabilitation of Runway 4R-22L and associated taxiways and infrastructure, inclusive of electrical, drainage and outfall improvements, at John F. Kennedy International Airport (JFK); (2) reconfiguration of associated taxiways and construction of new high-speed taxiways to facilitate airport delay reductions; and (3) extension of the 4R Engineered Material Arresting System (EMAS), all at an estimated total project cost of \$125.6 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: (1) a contract to perform construction work associated with the rehabilitation of Runway 4R-22L, reconfiguration of associated taxiways, construction of new high-speed taxiways (inclusive of electrical, drainage, and outfall improvements) and all associated work, at an estimated total construction cost of \$86.8 million, inclusive of extra work and net cost work; (2) a negotiated contract with a joint venture of Engineered Arresting Systems Corporation and Jacobs Engineering Group Inc., or an affiliate thereof, to design and construct an extension to the existing 4R EMAS; and (3) a contract for professional, technical and advisory services for planning work in connection with developing strategies to reduce operational inefficiencies as part of the foregoing project, at an estimated cost of \$3 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 submit an application to the Federal Aviation Administration for permission to use up to \$125.6 million in Passenger Facility Charges to recover expenditures associated with the Runway 4R-22L and associated taxiways project; 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 or her authorized representative.

**100 BROADWAY – NW 100 BROADWAY PROPERTY OWNER LLC – LEASE AMENDMENT**

It was recommended that the Board authorize the Executive Director to enter into an amendment of the Port Authority's lease with NW 100 Broadway Property Owner LLC (Landlord) for office space at 100 Broadway, New York City (the Lease), in order to: (1) extend the term of the letting for one year with respect to the fourth floor and for two years with respect to the fifth floor, at an estimated aggregate rental of \$2.8 million; and (2) surrender the letting with respect to the third floor, effective January 1, 2016.

The Port Authority entered into an Assignment and Assumption of the Lease, dated August 28, 2009, whereby the Port Authority's former construction manager/general contractor for the World Trade Center (WTC) Transportation Hub Project, Phoenix Constructors, assigned its interest in the Lease to the Port Authority.

The proposed lease amendment and extension would provide office and support space for approximately 180 Port Authority consultants engaged in assisting the Port Authority with rebuilding activities at the WTC site. The proposed reduction in the size of the leasehold over the extended term of the lease assumes a reduced consultant headcount as rebuilding activities are completed and the need for these services diminishes. The fourth floor consists of approximately 18,586 rentable square feet (rsf), and the fifth floor consists of approximately 18,375 rsf. The third floor, which is currently part of the leasehold, consists of approximately 18,586 rsf. The third floor would be surrendered and decommissioned.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voting in favor. Assistant 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 an amendment of the Port Authority's existing lease with NW Broadway 100 Property Owner LLC for office space at 100 Broadway, New York City, effective January 1, 2016, substantially in accordance with the terms outlined to the Board; and it is further

**RESOLVED**, that the form of the foregoing lease amendment shall be subject to the approval of General Counsel or his or her authorized representative.

## **PORT AUTHORITY BUS TERMINAL REPLACEMENT**

At the March 19, 2015 meeting of the Board of Commissioners, Chairman John Degnan announced the formation of a working group of the Board to focus on advancing the planning process for replacement of the 65-year-old Port Authority Bus Terminal ("PABT"), composed of Chairman Degnan, Vice Chairman Scott Rechler, and Commissioners Kenneth Lipper and William "Pat" Schuber (the "Working Group"). The mandate of the Working Group was to examine a broad range of approaches for the replacement of the PABT and to identify the most promising alternative for the consideration by the full Board prior to year-end 2015.

The recommendations of the Working Group were presented to the full Board at its September 24, 2015 meeting, together with a proposed resolution endorsing those recommendations. The Working Group reported as follows, with Chairman Degnan and Commissioners Lipper and Schuber in support, and Vice Chairman Rechler dissenting:

*Assisted by the Executive Director and Port Authority staff, and with the input of outside experts on a variety of issues, the Working Group has considered a number of concepts, ranging from the demolition and rebuilding of the PABT in its present location to re-siting major bus terminal operations in New Jersey. Key priorities considered in this analysis included: (1) meeting the present and future capacity needs of the commuting public, (2) providing continued access by bus commuters to mass transit in Manhattan, (3) minimizing construction-related disruption to commuters and adjacent neighborhoods, and (4) reducing the net cost of the project by utilizing modern construction techniques and project delivery methods (such as public-private partnerships), and by monetizing real estate assets and/or development rights not required for a new Port Authority bus terminal.*

*Based on the information and preliminary analysis performed to date, the Working Group has concluded that the most promising approach to replacing the PABT would involve: (1) constructing a new bus terminal on available Port Authority-owned property one block west of the current structure, between Ninth and Eleventh Avenues; (2) constructing facilities, that may include people-moving technology, to connect the new terminal with subway and other mass transit connections; (3) preserving the option of an additional "bus staging facility" appurtenant to the new terminal as future needs dictate; (4) operating the existing PABT continuously until the new terminal is completed, thereby minimizing disruption for commuters; and (5) exploring innovative financing strategies (consistent with the Authority's obligations to its bondholders) to help finance the construction of the new terminal, including the disposition of real estate owned by the Port Authority at or adjacent to the existing PABT site.*

*The Working Group further recommends that the Port Authority initiate three parallel processes to advance this project:*

- A "design competition" inviting private design firms and other interested organizations to submit concepts for the design and construction of a new Port Authority bus terminal in the Ninth Avenue location, including its connections with nearby mass transit.*

- *A request for proposals (“RFP”) for an outside consultant to advise the Port Authority on strategies for meeting and managing the anticipated increases in trans-Hudson commuter demand over the next 30 years, taking into account other modes of increased trans-Hudson capacity including rail and ferry capacity, as well as improvements to, and expansion of, existing infrastructure, expansion of commuting alternatives, promotion of workplace flexibility, and utilization of new technologies to improve throughput and efficiency of existing facilities.*
- *At an appropriate stage of the project, a detailed review by an outside consultant of potential construction costs, and projected operating costs, as well as methods to deliver the project in the most cost-effective and efficient manner, and operate the terminal on a sustainable basis moving forward.*

*The Working Group also recommends that the Port Authority continue to engage the firm of Cushman & Wakefield to advise it on the valuation of the Authority’s property fronting on Eighth Avenue at the site of the current PABT.*

*Finally, the Working Group recommends that the Board and staff solicit substantial public and stakeholder input as they consider the concepts produced by the recommended bus terminal design competition and parallel study of commuting capacity strategies.*

The Working Group has continued to consider these issues in light of comments and suggestions from the Board, and further recommends that:

- participants in the proposed design competition be encouraged to suggest alternative sites for a new Port Authority bus terminal should their analysis determine that the proposed site west of Ninth Avenue is not optimal; and
- the proposed RFP for a study of anticipated commuting capacity needs be expanded to include analyses of: (i) existing and anticipated patterns and preferences of bus commuter travel after arrival in Manhattan, (ii) strategies to reduce bus congestion in neighborhood streets adjacent to the proposed new bus terminal and in the Lincoln Tunnel and its approaches, and (iii) the costs and benefits of alternative strategies for meeting and managing anticipated commuter demand, including the construction of a new bus terminal.

With these amendments, Vice Chairman Rechler joins in the recommendations of the Working Group.

\* \* \*

The Board of Commissioners, having considered the Working Group’s recommendations, together with input received from Port Authority staff, adopted the following resolution, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voting in favor. Assistant 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 Board endorses the recommendations of the Bus Terminal Working Group, as amended above; and it is further

**RESOLVED**, that the Executive Director (or the Chief Executive Officer when appointed) is directed to conduct an international design competition (the “Bus Terminal Design Competition” or “Design Competition”) soliciting conceptual designs for a new bus terminal on the site recommended by the Working Group, one block west of the current structure, between Ninth and Eleventh Avenues; such designs to allow for (i) sequential construction of key elements (including terminal facilities and bus-staging facilities) as estimates of future capacity needs are refined, (ii) scalability of the terminal complex to meet developing capacity requirements, and (iii) appropriate pedestrian connections to mass transit in the vicinity of the new terminal; and it is further

**RESOLVED**, that participants in the Bus Terminal Design Competition be instructed to suggest alternative sites for a new Port Authority bus terminal should their analysis determine that the proposed site west of Ninth Avenue is not optimal; and it is further

**RESOLVED**, that Executive Director (or the Chief Executive Officer when appointed) is directed to issue a request for proposals for an outside consultant (or consortium of consultants) to perform a study (the “Trans-Hudson Commuting Capacity Study” or “Capacity Study”) of available strategies for meeting and managing the anticipated increases in trans-Hudson commuter demand over the next 30 years, taking into account:

- other modes of increased trans-Hudson capacity including rail and ferry capacity that may affect capacity demand at a new Port Authority bus terminal,
- potential improvements to, and expansion of, existing infrastructure,
- expansion of commuting alternatives, promotion of workplace flexibility, utilization of new technologies to improve throughput and efficiency of existing facilities,
- existing and anticipated patterns and preferences of bus commuter travel after arrival in Manhattan,
- strategies to reduce bus congestion in neighborhood streets adjacent to the proposed new bus terminal and in the Lincoln Tunnel and its approaches, and
- the costs and benefits of alternative strategies for meeting and managing anticipated commuter demand, including the construction of a new bus terminal; and it is further

**RESOLVED**, that the Bus Terminal Design Competition and Trans-Hudson Commuting Capacity Study be scheduled and administered to enable the Board, informed by the findings of the Capacity Study, to select a preferred design concept for a new Port Authority bus terminal no later than its September 2016 meeting; and it is further

**RESOLVED**, that the Board strongly endorses the recommendation of the Working Group that the Board and staff solicit substantial public and stakeholder input in this ongoing process; and it is further

**RESOLVED**, that allocation of Port Authority funds for the construction of a new Port Authority bus terminal shall be subject to future Board authorizations and be consistent with the Port Authority's Capital Planning process; and it is further

**RESOLVED** that the Bus Terminal Working Group shall remain in operation to oversee and support the Port Authority staff in this effort, and report to the full Board as developments warrant.

**LAGUARDIA AIRPORT – AUTHORIZATION TO IMPLEMENT CERTAIN ACTIONS  
IN SUPPORT OF THE NEW LAGUARDIA AIRPORT REDEVELOPMENT  
PROGRAM**

At its May 28, 2015 meeting, the Board selected the Preferred Proposer in connection with the replacement of the LaGuardia Airport (LGA) Central Terminal Building (New Terminal B Project), pursuant to a competitive Request for Proposals selection process, and authorized the Executive Director to take certain actions in connection therewith, including entering into an exclusive negotiating period with the Preferred Proposer, with the final agreed-to proposal subject to further Board approval. In recognition of the critical need to implement the project, at its June 25, 2015 meeting, the Board authorized certain (1) early work items; (2) hangar improvements; and (3) contract awards and expenditures for Program Delivery Services in connection with the New LGA Redevelopment Program (Program) and to support the integration of the New Terminal B Project with other ongoing construction projects at the airport.

It was recommended by the Executive Director that the Board authorize certain actions in support of the Program at an estimated aggregate amount of \$34 million, and composed of the following elements: (1) authorize the Executive Director to take certain actions in support of the Program, including the expenditure of an estimated additional \$19 million under an existing agreement with LaGuardia Gateway Partners, the Preferred Proposer for the New Terminal B Project, to perform additional design and code compliance work, and on-site investigative and preliminary construction activities; (2) authorize the Executive Director to take certain actions for the expenditure of an additional amount to compensate LaGuardia Gateway Partners for services provided by Hellmuth, Obata & Kassabaum, Inc. (HOK), pertaining to providing airport planning, management and implementation advisory services in connection with the Program and Governor Cuomo's Airport Advisory Panel recommendations, at a total estimated cost of \$5 million; (3) authorize the expenditures of \$3 million under an existing agreement with STV Construction, Inc. and Tishman Construction Corporation, a Joint Venture, chosen by a competitive Request for Proposals (RFP) in October 2013, for management and project executive services, including but not limited to, oversight and support services for the Program, with such expenditures and the terms thereof subject to final approval by the Chairman, Vice Chairman and Executive Director/Chief Executive Officer; (4) award agreements, pursuant to a publicly advertised RFP process, for professional program and project delivery support services on a "call-in" basis for a period of three years, with discretion to extend the agreements for an additional three years, at an estimated total cost of \$7 million; and (5) authorize the Executive Director to take certain actions pertaining to the submission of an application to the Federal Aviation Administration for the collection and use of up to \$26 million in Passenger Facility Charges to provide for recovery of certain expenses related to the Program.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino and Rechler voting in favor; Commissioners Schuber and Steiner recused and did not participate in the consideration of, or vote on, this item. Assistant 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 a total estimated amount of \$34 million to implement certain early-action work (the “Early-Action Support Work”) in support of the New LaGuardia Airport Redevelopment Program (Program), consistent with the terms outlined to the Board, 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 expend, as part of the Program Early-Action Support Work, an additional estimated amount of \$19 million under an existing agreement with LaGuardia Gateway Partners to perform additional planning, design and code compliance work, and on-site investigative and preliminary construction activities, in connection with the Program; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to expend a total estimated amount of \$5 million as part of the Program Early-Action Support Work, under an existing agreement with LaGuardia Gateway Partners for services provided by Hellmuth, Obata & Kassabaum, Inc. pertaining to airport planning, management and implementation advisory services in connection with the Program and Governor Cuomo’s Airport Advisory Panel recommendations,; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to expend \$3 million under an existing agreement with STV Construction, Inc. and Tishman Construction Corporation, a Joint Venture, for management and project executive services, including but not limited to, oversight and support services in connection with the Program, with such expenditures and the terms thereof subject to final approval by the Chairman, Vice Chairman and Executive Director/Chief Executive Officer; 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 agreements, pursuant to a publicly advertised Request for Proposals process, in the amount of \$7 million, for professional program and project delivery support services in connection with the Program on a call-in basis for a period of three years, with discretion to extend the agreements for an additional three years; 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 certain actions pertaining to the submission of an application to the Federal Aviation Administration for the collection and use of up to \$26 million in Passenger Facility Charges to provide for recovery of the costs for certain work in support of the Program; 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 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, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his or her authorized representative.

Whereupon, the meeting was adjourned.

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Secretary